

STATE OF CALIFORNIA
DEPARTMENT OF FOOD AND AGRICULTURE

SPECIALTY CROP BLOCK GRANT
LISTENING SESSION

THURSDAY, OCTOBER 25, 2001
RICHARD NUTTER AGRICULTURAL CENTER
SALINAS, CALIFORNIA

Electronic Court Reporter:
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Monterey County Agriculture
Commissioner*

PANEL:

*WILLIAM "BILL" J. LYONS, JR.
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Food and Agriculture (CDFA)*

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Deputy Secretary, CDFA*

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Alameda County Agriculture Commissioner*

*DAVID W. MOELLER
Santa Cruz County Agriculture Commissioner*

*WILLIAM B. GILLETTE
Santa Barbara County Agriculture Commissioner*

1 MEETING BEGINS AT 9:05 A.M. ERIC LAURITZEN: Good morning,
2 everyone. Come on in. Get comfortable. My name's Eric Lauritzen. I'm
3 the Monterey County Agricultural Commissioner. I want to welcome
4 everybody, all the participants here today, for a unique opportunity.
5 I want to start by thanking our Secretary to my right, Bill
6 Lyons, who I've had the opportunity to work with since he's been in
7 office. And the relationship between Bill and the ag commissioners has
8 been really fostered over the last couple of years, I think to the benefit
9 of local agricultural industries.
10 And I think it's a testament to that relationship that we have
11 five ag commissioners up here. We have Paul Matulich, from Mark
12 Tognazzini's office here representing the Central Coast.
13 I'd also like to thank Bill and Vanessa, the rest of the staff
14 for picking Salinas as one of the five sites to hold one of these
15 listening sessions, a really unique opportunity to have some influence
16 over how sixty-four million dollars (\$64 million) gets spent in California
17 to best serve the specialty crops of the State of California.
18 Monterey is approximately 10% of California's agricultural
19 production and the Central Coast is nearly 20% of that when it comes to
20 specialty commodities. So it's especially important that we have a
21 session here and the opportunity to have some input into the Secretary.
22 So without belaboring the point I'd like to introduce

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1 Secretary Lyons, and then we'll come back and introduce the rest of the
2 table.

3 SECRETARY LYONS: Well, thank you, Eric. It is a pleasure to
4 be here in Salinas. One of the reasons we selected Salinas is because
5 Bill Ramsey promised it would be wonderful weather here, and it looks like
6 you've come through with that promise.

7 We're looking forward to these hearings. This is the third
8 hearing of five that we're having in the State of California. And our
9 primary goal is to be inclusive and actually hear from industry what their
10 suggestions are. Again, thank you, Eric.

11 ERIC LAURITZEN: Thanks, Bill. I'd like to start by
12 introducing the head table, and we've got Bill Gillette, the Ag
13 Commissioner from Santa Barbara County at the far end, Ed Meyer, from
14 Contra Costa County, Earl Whitaker, from Alameda County, Valerie Brown,
15 Deputy Secretary.

16 We've already met the Secretary; Dave Moeller, here to my
17 left, Santa Cruz County Ag Commissioner, Vanessa Arellano, Assistant
18 Secretary, who's done an excellent job in putting this together. And
19 this, as I said, is the -- I think the third of five sessions in
20 California.

21 I'd also like to thank the rest of Bill's staff for all the
22 effort they've put in, my secretary, as well, Jane Neuberg, who -- and
23 some of our staff that helped set this up. Also, we have the North

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1 Salinas FFA that's signing people in, in the back, so we'd like to
2 specially recognize them, and Mr. Stan Uchiyama.

3 Stan -- Want to stand up? Thanks for the FFA. We really
4 appreciate your effort.

5 We have some electeds in the audience. I'd like to introduce
6 first, Assembly Member Simon Salinas, who I've had the opportunity to work
7 with as a Board of Supervisors member and now representing our Assembly
8 District. Simon.

9 Also, we have Alec Arago, from Congressman Farr's office. Are
10 there any other electeds that I haven't -- we met -- Bill Ramsay was sort
11 of introduced, who's on the State Board of Agriculture. With that, we can
12 get started? Okay.

13 SECRETARY LYONS: For the record I have just a brief statement
14 on the sixty-four million (64 million).

15 We're here today to get your ideas on how to spend sixty-four
16 million dollars (\$64 million) that was provided to the State of
17 California. These funds came from a five point five billion dollar (\$5.5
18 billion) Emergency Agricultural Assistance Act of 2001.

19 While most of the funds went to program crops, this is the
20 first time that Congress has dedicated significant funds to specialty crop
21 growers. California in particular received sixty-three point eight two
22 million dollars (\$63.82 million).

23 Five hundred thousand (500,000) is directed to fund activities
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1 that promote agriculture. The remaining sixty-three point three two
2 million (63.32 million) is based on the value of our specialty crop
3 production. This money did not have any significant strings attached,
4 although twelve million (12 million) of it is to spend on market
5 promotion, like Governor Davis' new Buy California Program.

6 I want to thank all of our congressional leaders and our
7 delegation. Sam Farr, Gary Condit, Richard Pombo, and Cal Dooley, were
8 instrumental in working some of these arrangements out and to get these
9 kind of funds in the form of a block grant. I want to spend just a moment
10 on something that had an impact on California receiving these funds.

11 About two years ago, we formed a coalition called NFACT. It
12 stands for New Mexico, Florida, Arizona, California and Texas. We have
13 copies of our most recent report of recommendations for the upcoming
14 federal Farm Bill.

15 Jennifer Heald has some copies available, if you'd like to
16 pick one up. If we run out, please provide her a business card and she'll
17 make sure that you get one. NFACT was started approximately two years ago
18 to really promote specialty crops in these five states.

19 These five states control approximately twenty-five to twenty-
20 six percent of the gross national agricultural income, and they're
21 represented by about twenty-five to twenty-six percent of the U.S.
22 congressional delegation. By working together, we hope to be very
23 influential when it comes to federal farm policy.

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1 NFACT has had a number of meetings with USDA Secretary Ann
2 Veneman, who was my predecessor at CDFA. We have a great working
3 relationship. She understands trade issues. She understands pest issues.
4 She understands specialty crops. We have a very unique opportunity to
5 work with the USDA.

6 She just recently came out with a Food and Ag policy report
7 about what her vision is for the future of agriculture. I've read through
8 it and I am very pleased by her direction and some of her policy
9 initiatives.

10 This report will really start to change some of the direction
11 that USDA has headed. The report recognizes farm policy that was
12 developed in the 1930's, but doesn't meet our needs today. We're looking
13 forward to working with Ann in the future of trying to change farm policy
14 so that it really addresses the diversity of not only agriculture across
15 the nation, but agriculture within the NFACT states.

16 I'd like to remind everyone, that we'd like to have your
17 ideas, your suggestions, on how to best spend these monies and to really
18 get a bang for the buck. If you look at the money that was allocated in
19 these block grant programs, it was a little over two hundred million
20 dollars (\$200 million).

21 California received approximately sixty-four million dollars
22 (\$64 million). The next state, which was Florida, received sixteen
23 million (16 million) and it went down the line from there. As a result,

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1 we are going to be a lightening rod when it comes to congressional review.

2 We're going to look at some very innovative ideas. We're
3 going to have to be accountable and we're going to have to show how these
4 funds were spent. If you have ideas on the five hundred thousand
5 (500,000), how to promote agriculture, the twelve million (12 million) for
6 market promotion and then the balance of the fifty-one point thirty-two
7 million (51.32 million) for other interests I would like to remind you to
8 submit your recommendations to us today through your testimony or in
9 writing by November 1, 2001.

10 With that, Eric, I'd like to turn it back to you, and I think
11 Valerie may have a few comments, also.

12 DEPUTY SECRETARY BROWN: Just a few housekeeping comments. We
13 have had a three-minute limit on testimony, and we basically put that in
14 place just in case we had a packed house and we didn't want people having
15 to wait an hour in order to say a few things.

16 But obviously, with a group of this size three minutes is
17 fine, if you can make your point in three minutes. But if you have more
18 to say, please feel free to do so. We have, as Bill mentioned, a court
19 reporter that's taking notes.

20 So if you would state your name very clearly as you come up to
21 the microphone so that she'll be able to put that into the record. And
22 there is a sheet in the back called -- that has "Welcome to the Listening
23 Session" on the front of it, and that gives you some of the background

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1 that Secretary Lyons mentioned.

2 There are -- if you are not the kind of person that likes to
3 stand up in front of a group and give testimony, please feel free to
4 submit written testimony to us. That always sounds so intimidating;
5 letters, notes, we don't care what it looks like.

6 There's an address in the back right by the coffee machine
7 there that you can send. We also have a website where you can type your
8 ideas and thoughts and comments right into the website and it'll come
9 directly to the Department.

10 So we're looking forward to getting as much input as we can
11 from as many people that we can talk to, and looking forward to your
12 testimony today.

13 ERIC LAURITZEN: Okay. Before we get testimony from outside I
14 wanted to see if anybody wanted to make a comment down at the end of the
15 table. Anybody?

16 Dave, would you like to make a couple comments?

17 DAVID MOELLER: Sure. Good morning. I never pass up the
18 opportunity to talk into a microphone. I welcome all of you. It's a
19 great opportunity for us to, once again, make known the special concerns
20 we have, not only in California because we grow specialty crops, but also
21 special concerns that we have in the coastal areas.

22 I'm from the county to the north of Monterey. We're the Avis
23 to Monterey's Hertz. We try harder. I will say that unless someone can

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1 challenge me with figures to the contrary, we are the most productive land
2 on a dollar per acre basis of any county in California.

3 And the reason I mention this is, is that although we are
4 small, we are the smallest agricultural county in California, we are very,
5 very productive. We have a great number of small farmers producing
6 specialty crops. So all of the issues of concern to our ag industry are
7 especially important to address and resolve when you have small growers
8 growing specialty crops.

9 Two come to mind. One is just a general disconnect between
10 the community -- the non-funded community and our growers, and you are all
11 aware of this I'm sure. There's such a poor understanding of what it
12 involves to produce our food supply.

13 So I think some of this money should be directed towards
14 developing strategies and programs that reconnect the community with
15 production agriculture. That could be educational programs. I'll give
16 you an example. Many of you are familiar with this, I think.

17 We have something called focus agriculture, which is a program
18 where individuals in the community, many of them policymakers, decision-
19 makers, are taken through a nine-month program of ag education. It's a
20 great model. It's the first in the state. I don't know if there are any
21 others like that.

22 I'm sure there are some, but that's an idea that should be
23 promoted. We should find ways to enhance our direct marketing efforts.

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1 Perhaps agri-tourism would be something worth developing on the Central
2 Coast here. The point is, is use these monies to reconnect to the
3 community with production ag.

4 Secondly, and this is especially problematic for small growers
5 with limited resources, and that's losing effective chemical tools for
6 pest management. Again, many of you are familiar with the problem that we
7 encounter, losing minor crop registrations on many proven, effective
8 pesticides.

9 So we need to focus efforts on securing some of those minor
10 crop registrations; also, developing pest management strategies that are
11 effective, economical and practical for small growers using -- growing
12 specialty crops. And I think I'll conclude with that.

13 There are -- I'd really endorse everything that's on this list
14 that's in one of these that are welcome to a specialty crop Listening
15 Session. Each one of these ideas that have been proposed in previous
16 Listening Sessions are all worthy of consideration, but I just wanted to
17 bring these two particular ones of concern to your attention this morning.

18 SECRETARY LYONS: I was just about ready to invoke the three-
19 minute warning.

20 ERIC LAURITZEN: Well, let's get started, then. I'd like to
21 first introduce Assembly Member Simon Salinas for a couple of opening
22 remarks.

23 Simon, welcome.

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1 ASSEMBLY MEMBER SALINAS: Thank you, Commissioner, and
2 welcome, Secretary Lyons, to the Salinas Valley, Potter Valley areas, and
3 let me just thank, also, obviously, Congressman Sam Farr, the House Ag
4 Committee for having had the vision and the wisdom to allow these monies
5 to flow into our area.

6 But just as you develop your spending plan, the draft plan
7 that you'll prepare in November, I think you've come to one of the best
8 areas in this country to get some ideas, and innovative ideas on how to
9 deal with some of our specialty crops, some of the issues that we face
10 here in the Salinas Valley, and the Potter Valley areas.

11 And obviously, you're going to hear from some of the business
12 people in the ag industry that have shown that spirit and I think that
13 input will be well-taken if you can incorporate those ideas from, you
14 know, marketing, food safety, value-added research and the whole area that
15 impacts the agricultural industry as it relates to a specialty crop.

16 So I just briefly want to thank you for it. Now, I understand
17 why, you know, the Listening Session doesn't have any politicians. They
18 put us down here. So hopefully, you will listen, listen to the input and
19 have that assist you as you draft that spending plan. Thank you very
20 much.

21 ERIC LAURITZEN: Next, I'd like to call on Alec Arago, from
22 Congressman Sam Farr's office.

23 ALEC ARAGO: Thank you, Secretary Lyons. On behalf of
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1 Congressman Farr, he couldn't be here today, he wanted to extend a welcome
2 to Salinas to you. I just wanted to, on Mr. Farr's behalf, elaborate a
3 little bit on the history of this fund, which it is remarkable because
4 it's the first time Congress has recognized specialty crop agriculture in
5 this way.

6 Which is to say, in the midst of a big bailout for Midwestern
7 farmers, some California members of Congress, Mr. Farr, Mr. Condit, Mr.
8 Pombo, Doolittle from up in Sacramento, the whole -- Mr. Thomas --
9 Republicans and Democrats raised their hands and said, you know, we're
10 half the agriculture production in the country for fresh fruits and
11 vegetables, specialty crops, and yet, in a five point five billion dollar
12 (\$5.5 billion) relief package, right now we have nothing.

13 And we think there is certainly economic hardship in the
14 specialty crop agriculture environment and there should be some relief
15 recognition of that in this bill. And so the roughly hundred and twenty
16 or hundred and thirty million dollars (\$120-130 million) that was devoted
17 to specialty crops, while it is significant in this relief package, still
18 represents less than two percent.

19 But I think that the challenge and I think that the point that
20 I think that your industry can make is that we don't need billions and
21 billions of dollars. What we need to do is a little bit, and use our
22 marketing skills to make the most of that.

23 And so I'm interested to hear what you have to say, and I'll
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1 pass that on to Mr. Farr. Thank you.

2 ERIC LAURITZEN: Thank you, Alec. I'd like to call on David
3 Fouk, from USDA, and following David, Virginia Guzman.

4 DAVID FOUK: Good morning. It's a pleasure to be here. We
5 were not originally scheduled on the program, I don't think, but we have a
6 few things we wanted to tell you. We're not trying to tell you how to
7 spend your money. We just want to inform you about a few things.

8 My name is David Fouk. I'm with the Risk Management Agency as
9 part of USDA, and we're housed in Kansas City. We're part of
10 headquarters, but we're actually in Kansas City. We've been operating
11 under a new legislative package for the last two years.

12 In 2000 the Agricultural Risk Protection Act was passed, and
13 it changed things quite a big risk management wise. What we are doing in
14 California right now is over the past year we have solicited input from
15 universities, from private individuals, for research projects to enhance
16 or make people more aware of risk management and what it can actually do
17 for you.

18 We have been dealing with some university folks in Davis,
19 primarily, and we have two projects going there. Over the past -- like I
20 said, over the past year we have reviewed projects and we've approved a
21 number of them. Some of them have not been approved, but we have two, and
22 one of them we want to talk about today.

23 And Virginia Guzman is going to briefly give you an idea on
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1 what we do with the University of California, Davis; and it's a survey of
2 specialty crops producers, directed to them. So thank you.

3 VIRGINIA GUZMAN: Thank you. I just wanted to inform you
4 folks about a survey that we will be conducting, and this survey is very
5 important. I think it's very important to all specialty crop producers.
6 This survey will be used in the formulation of risk management programs
7 and policies in the future.

8 In the past we've had a lot of risk management strategies
9 directed to the traditional field crops. And just as Secretary Lyons was
10 pointing out, the specialty crop producer has not been as well-served in a
11 lot of our risk management efforts.

12 And we want to develop new programs and new products that will
13 give you better risk management strategies. The only way we can do this
14 is by knowing what you need and what you want. And so in order to obtain
15 that information we're going to be sending out thirty-one thousand
16 questionnaires.

17 We hope a questionnaire will be sent to every single specialty
18 crop producer in California. California is very important in this area of
19 agricultural production, and that's why one of our areas of concentration
20 is California. It's very important to us.

21 And what I would like to urge you to do is urge your
22 constituents and your members, if you're an organization with membership,
23 is to urge them to complete these questionnaires. These questionnaires

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1 are -- these are voluntary questionnaires. They are approximately four
2 pages.

3 There's about twenty-four questions and some of them are quite
4 detailed, asking some questions that a lot of producers will consider very
5 personal. There's a lot of sales information in there, ranking the areas
6 that you consider areas of risk.

7 Is it pest -- is the -- the highest level of risk. Is it pest
8 management? Is it quarantine? Are you concerned most about quarantine?
9 Are you concerned most about water issues? Those are the kinds of
10 questions we're asking in this survey.

11 And the survey is voluntary and it is completely confidential,
12 and we know that is very important to people when they're completing these
13 survey questionnaires. No one, no single producer will ever be identified
14 in any of the information that we will be using.

15 But we will be using all of this information to formulate
16 policies that will impact you. And so the only people that can tell us
17 that, give us that information are the specialty crop producers
18 themselves. So we urge you to assist us in this effort and to promote
19 this effort in -- among your memberships and constituents. Thank you.

20 ERIC LAURITZEN: Secretary.

21 SECRETARY LYONS: Virginia, just a quick comment -- I think
22 it's excellent that USDA's going out in the field. Just in this audience
23 today we have two excellent organizations that I'd really stress the USDA
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1 to work with.

2 One is the Growers Shippers Association here locally, and
3 also, Western Growers Association. They have a close contact with the
4 people that produce many of the specialty crops that we're talking about.
5 I would encourage USDA to meet with their leadership.

6 ERIC LAURITZEN: Okay. Next up we have Stan Iversen,
7 President of Suncrest Nurseries, and I'd like to have Jim Bogart on deck,
8 from Growers Shippers Association. And just a note, in case you haven't
9 noticed, there is coffee and fruit and fresh vegetables grown locally, if
10 anybody wants to help themselves. Mr. Iversen.

11 STAN IVERSEN: Thank you very much. As he mentioned, I'm Stan
12 Iversen, with Suncrest Nurseries in Watsonville. We're wholesale
13 container growers of nursery stock, and I'm here to represent CAN,
14 California Association of Nurserymen and to let you know what some of
15 their ideas are on this block grant disbursal.

16 The main priority in -- for the nursery industry is the impact
17 of pests that we've experienced recently, and notably the glassy-winged
18 sharpshooter and the red imported fire ants and who knows what else.
19 Efforts need to be made to greatly enhance pest exclusion capability, and
20 CDFA could do this to the benefit of nurseries.

21 Research needs to be done to discover new and more effective
22 methods to exclude pests from California, and also, a protocol needs to be
23 established for working with all agencies, ag commissioners, the

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1 university, farm advisors, CDFA and industry to make known new pest
2 discoveries and systematically perform an assessment to determine their
3 potential -- excuse me -- impact.

4 A third point is to reestablish the grid system, which was put
5 into effect when we closed border stations, for excluding pests from
6 California. Some of these border stations were opened up on a seasonal
7 basis and the grid system was let go at that time.

8 We believe that we should reestablish the grid system for
9 discovering pests, and also, it'd be helpful if we had both the border
10 stations and the grid system. More specifically, we need possibly a
11 reestablishment of the Nursery Inspection Program, which was in place at
12 one time, which took place I think twice a year.

13 All wholesale nurseries were inspected for pests by the county
14 ag commissioner. They bore one-third of the cost, the industry bore a
15 third and the state bore a third. This has been let go and many nurseries
16 don't get this type of inspection. I can say for myself that I see Dave
17 Moeller's people rather frequently, so that we're possibly an exception to
18 the rule.

19 On another level, we need to give financial assistance to
20 growers who have been impacted by pest infestations, notably in Southern
21 California, where the nurseries in that area, and especially the
22 wholesalers, have been subject to quarantine for the glassy-winged
23 sharpshooter and the red imported fire ant, and they've had to spend a

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1 significant amount of money to control these pests.

2 Finally, a cost-sharing program to assist growers establish
3 more environmentally friendly growing practices, and we have one nursery
4 locally and in Southern California, El Modeno Gardens, that received an
5 IPM innovator award for their work to reduce water runoff and pesticide --
6 reduce pesticide use, as well.

7 So a method to encourage nurseries to instill -- install
8 similar systems and practices to help defray costs would be greatly
9 beneficial to the industry. So that's what I have to say. Thank you.

10 ERIC LAURITZEN: Thanks. Jim Bogart, President of Growers
11 Shippers Association of California, or Central California. Following him
12 will be David Gill.

13 JIM BOGART: Good morning, Mr. Secretary, everyone. My name
14 is Jim Bogart. I'm the President and General Counsel of the Growers
15 Shippers Association of Central California. We represent several hundred
16 growers, shippers, packers, processors, other businesses and entities
17 affiliated with or connected to the agricultural industry here in the
18 Central Coast, specifically in Monterey, Santa Cruz and San Benito
19 counties.

20 We appreciate the opportunity to testify here today and offer
21 some suggestions on the disbursement of some of these block grant monies.
22 And I'm here to tell you that we are supportive of any effort that will
23 provide well-deserved support to producers of California fruits and

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1 vegetables, especially here in the Central Coast region.

2 While our recommendations are not commodity-specific, in some
3 respects they're geographically specific. So I would like to call your
4 attention to that, because that might be something a little different than
5 you may be hearing from some other speakers.

6 But mainly, we're here to propose block grant monies be
7 distributed in five distinct areas. First is agricultural research,
8 second, agricultural education, third, nutrition policy consumer
9 education, fourth, food safety programs, and fifth, marketing and
10 promotion of California fruits and vegetables.

11 I'm going to focus on the first two. And by the way, I did
12 prepare written remarks. So I'm going to zip through a lot of this stuff,
13 but you do have written remarks for your review later on. But
14 agricultural research, Growers Shippers strongly supports policies and
15 programs designed to increase and improve agricultural research.

16 Although much of what we support is consistent with other
17 recommendations you may have heard, there is one unique recommendation
18 that we'd like to offer. In the spirit of thinking outside the box, we
19 encourage you to consider distributing available block grants funds based
20 wholly or in part by geography or region, or perhaps even by way of
21 regional production value.

22 By way of example, a coalition has been working with
23 legislators, including Congressman Farr, especially Senator Bruce

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1 McPherson, and more recently Assembly Member Simon Salinas, along with
2 Monterey County Supervisor, Judy Pennycook, to locate a University of
3 California Agricultural Research and Education Center here in the Central
4 Coast.

5 Block grant funds dedicated to establishing a REC center here
6 on the Central Coast would be the single best investment in our specialty
7 crops. And when I talk about the Central Coast production region I'm
8 talking about coastal areas all the way from Ventura up through San Mateo
9 counties.

10 I lay out all my reasons for this request in my paper, but I
11 want to highlight a couple of them. There are some coastal area
12 uniqueness that should be considered. I mean, we have a climate here that
13 cannot be replicated anywhere else.

14 There's unique and diverse crop mix. We face unique production
15 problems and we're a bell weather area for changing agricultural issues.
16 It also provides unique opportunities for partnerships between the
17 university, USDA and industry, and that is another reason.

18 We have certain regional issues here that we feel can be
19 addressed and looked at with a research center that are laid out in my
20 paper here. Industry support is widespread. In addition to Western
21 Growers Association, we have support from every single regional
22 agricultural trade association from Ventura all the way up through Santa
23 Cruz. That's laid out in my paper; and also, a lot of local community

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1 support for this endeavor.

2 And then I would like the Secretary to be aware that the
3 industry here has been very supportive of research conducted outside our
4 area, and several organizations, commodity groups, contribute almost two
5 point seven million dollars (\$2.7 million) per year from this area alone
6 toward research that's conducted in other areas that we think could best
7 be conducted here.

8 So we believe that an investment in a REC for the Central
9 Coast could be the single most important investment in specialty crops,
10 ultimately addressing a diversity of research and educational needs. We
11 are prepared to provide any information that may assist you in considering
12 this proposal.

13 The second major issue I want to touch upon is agricultural
14 education. We strongly support programs that are designed to educate our
15 young people, and the many important contributions agriculture makes to
16 our society. California Ag in the Classroom is certainly a deserving
17 recipient of some of these grant monies.

18 But more specifically, I'd like to draw your attention to our
19 local program here. Monterey County Agricultural Education, Inc., is a
20 national leader in successful, innovative ag literacy and awareness
21 programs. The leaders of this dynamic organization are unable to be
22 present here today, because at this moment their widely-recognized Farm
23 Day Program is educating over two thousand third-grade students about the

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1 importance of agriculture over at the Monterey Fairgrounds.

2 And they asked me to invite you to attend their festivities.

3 It goes on this afternoon -- this morning and this afternoon. So if you
4 want to hightail it over to the fairgrounds and see the great work that
5 these folks do firsthand, I'd encourage you to do that.

6 But it's an outstanding organization that makes a very
7 valuable contribution to the education of our young people regarding the
8 important contributions agriculture makes. With respect to nutrition
9 policy and consumer education, we're very supportive of the Five A Day
10 Program.

11 My comments echo those of speakers that you will hear later on
12 today. So I will just say that we add our voice to theirs in calling for
13 support for Five A Day, as well as school nutrition programs. And the
14 reasons for asking for grant monies to be distributed to those programs
15 are in my paper here, and my comments are very similar to those that you
16 will hear from later speakers.

17 Food safety, we are very supportive of CDFA in the development
18 of a food safety program and verification process for fresh fruits and
19 vegetables. We believe in the goals of developing and implementing food
20 safety training programs for the industry and impacted government
21 agencies, and assisting the industry in developing and implementing
22 quality assurance programs designed to minimize the risks of microbial
23 contamination.

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1 Finally, in the area of marketing and promotion, we strongly
2 support the Buy California Program. And to conclude, I just want to again
3 thank you for the opportunity to testify today. We're available to help
4 out in any way we can. Thank you.

5 ERIC LAURITZEN: Thanks, Mr. Bogart.

6 We have David Gill, and on deck would be Adele Pfister, an FFA
7 member.

8 DAVID GILL: Good morning. My name is David Gill from Rio
9 Farms, local farming operation here. I'm here on behalf of the Western
10 Growers Association. The Western Growers Association is an agricultural
11 trade association whose members grow, pack and ship a majority of the
12 fresh fruit and vegetables and nuts produced in California and Arizona.

13 On behalf of our membership, WGA appreciates the opportunity
14 to provide for consideration to the California Department of Food and
15 Agriculture the following comments and recommendations for the
16 distribution of the sixty-four million dollars (\$64 million).

17 WGA is supportive of efforts to insure the long-term viability
18 and profitability of the fresh fruit and nut, vegetable industry. At a
19 time when the long -- when agricultural industry in California is
20 experiencing economic difficulties, the proper use of these block grants
21 will provide well-deserved support to growers of these products.

22 We believe that the block grant funding should go towards
23 programs that will increase the consumption of fresh fruits and

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1 vegetables. Thus, WGA recommends the following. The Buy California, we
2 strongly support the Buy California Program and the proposed allocation
3 for Buy California.

4 5 A Day, WGA recommends the allocation of five point two
5 million dollars (\$5.2 million) of California's specialty crop block grants
6 to support the 5 A Day Program. This program would provide educational
7 awareness and marketing programs on behalf of the produce industry.

8 The 5 A Day Program has a positive impact on increasing fruit
9 and vegetable consumption over the last ten years. 5 A Day efforts have
10 increased produce consumption by nearly half a serving a day. Today,
11 combined annual supermarket and restaurant produce expenditures total
12 seventy-eight point three billion dollars (\$78.3 billion).

13 It's estimated that in addition -- that the addition of just
14 one more daily serving of fresh fruit or vegetables would add seventeen
15 billion dollars (\$17 billion) in industry income. While 5 A Day efforts
16 alone did not cause consumption gains, they played a major role in the
17 result.

18 WGA proposes to utilize specialty crop block grant funds to
19 benefit California agriculture by focusing on intensive efforts to drive
20 fruit and vegetable consumption, through expended emphasis on 5 A Day
21 marketing, promotion and awareness strategies.

22 WGA believes that this wise investment of block grant monies
23 in the 5 A Day Program will increase fruit and vegetable consumption,

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1 strengthening the agriculture economy of California, and promote healthier
2 food choices for American consumers.

3 On the school nutrition program, WGA recommends the allocation
4 of at least two million dollars (\$2 million) for school nutrition
5 programs. WGA believes that increased emphasis on school nutrition in the
6 form of school nutrition programs is essential for the health of our
7 children.

8 With the knowledge that eating habits learned while in school
9 greatly impacts an individual's eating habits throughout their life, it is
10 apparent that healthy nutrition must be taught in school. According to
11 studies, the number of overweight and obese Americans jumped by 60% in the
12 '90's.

13 Education is a key tool to reverse this number, and sufficient
14 contribution of block grants monies for school nutrition programs would
15 help implement this vision. In addition, WGA is working with other groups
16 for developing pilot programs to further the interest of school nutrition.

17 The Department of Food and Agricultural Food Safety Program,
18 the food safety -- food safety has always been of paramount concern for
19 Western Growers Association. As such, Western Growers recommends that one
20 million dollars (\$1 million) be spent on food safety programs.

21 This funding will be used to explore the development of CDFA
22 food safety program verification process for fresh fruits, vegetables and
23 nuts. WGA believes in the goals of developing and implementing food

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1 safety training programs for the industry and impacted government
2 agencies, and assisting the industry in developing and implementing
3 quality assurance programs designed to minimize the risk of microbial
4 contamination.

5 Another program is school garden programs. Western Growers
6 requests five hundred thousand dollars (\$500,000) to fund school garden
7 education programs. We anticipate working with the California Fertilizer
8 Foundation School Gardening Project and with the California Foundation for
9 Ag in the Classroom on this program.

10 This program would encourage schools to match private funds
11 and establish working gardens and nurseries within their schools. The
12 benefits of this program would include instruction on cultivating and
13 maintaining gardens and nurseries, and increase awareness of health
14 benefits obtained by the consumption of more fruits and vegetables.

15 In conclusion, WGA believes that the most beneficial use of
16 the block grant funds should attempt to move the needle on consumption of
17 fresh fruits and vegetables in California. To that end, WGA is also
18 working with other agricultural organizations to identify and support
19 other block grant funding projects that WGA will support at future
20 Listening Sessions.

21 WGA strongly -- Western Growers Association strongly believes
22 that the block grant contributions to 5 A Day school nutrition programs,
23 CDFA food safety programs and school garden programs will benefit all

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1 Californians, and we strongly recommend those contributions.

2 Thank you on that issue, and I have another issue on -- just
3 on my own Rio Farms. I think another project that would be well worth
4 considering is a conversion of the byproducts from specialty crops, which
5 is an economically -- which could be an economically viable product.

6 Grant monies would be provided to processors of specialty
7 crops who can generate an economic market for their byproducts or waste
8 materials. One such market could be the production of ethanol from waste
9 products or culls from the processing plants, or a dehydrated or a frozen
10 product.

11 It must be an economically viable process that justifies a
12 capital expenditure. So I would say grant monies up to five hundred
13 thousand dollars (\$500,000) per applicant, to be used for qualified
14 projects that generate an economically viable end product.

15 Special consideration should be given to co-generation
16 projects that not only create new marketable products, but utilize
17 existing power sources and save energy. Priority should be given to new
18 projects. This would stimulate new ideas on disposing of current waste
19 materials from food processing plants. Thank you.

20 ERIC LAURITZEN: Thank you, Mr. Gill.

21 Adele Pfister, and following Adele will be Susan du Verrier.

22 ADELE PFISTER: Hi. My name's Adele Pfister, and I'm a senior
23 this year at North Salinas High School. I am our school's FFA Chapter
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1 President, and through FFA I have learned to invest and budget my money.
2 I've learned problem-solving skills and how to give successful
3 presentations.

4 But most of all through FFA I have learned and had the
5 experience to see what the world of work is going to be like in my future.
6 The California Ag Education and FFA programs that I am in have helped me
7 prepares for my future real world.

8 Through FFA I have been to Chapter Officer Leadership
9 competitions, challenging parliamentary competitions and many
10 conferences that I have been able to come back with skills that I can now
11 use in my day to day life, such as, you know, being able to understand and
12 participate in a public debate, which most kids can't do at my age, and
13 you know, being able to learn how to increase my FFA membership numbers.

14 And but I know this goes for many other ag students across our
15 ten-school county, and I know that they would agree with me, but while
16 we're not at competitions and conferences we are usually fund-raising all
17 the time. We're either organizing for a new fund-raiser or participating
18 in another.

19 And we put a lot of our time into this fund-raising, and the
20 reason we have to do this is because many of our ag programs do not have
21 enough money for the equipment that they need. Some of our schools do not
22 even have vehicles reliable enough to get them out of their county to
23 attend out-of-county activities, which you know, that's not pretty --

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1 that's not good.

2 And so -- also, another thing is, we don't have enough
3 teaching supplies for our ag mechanics, our ag welding and our ag science
4 lab classes. And so what I would like to say today is that I recommend
5 that a part of this money go to the Ag Literacy Program endorsed by our
6 state legislators in the State Education Department, and maybe that some
7 of this money go to high school ag departments for the replacement, repair
8 or purchase of equipment needed by the ag classes.

9 Thank you for letting me make my statement today.

10 ERIC LAURITZEN: That's great. Would you like to be a
11 moderator up here? Excellent presentation.

12 Suzanne du Verrier, with Alisal Union High School District --
13 or School District.

14 SUZANNE DU VERRIER: Good morning. Thank you very much for
15 the opportunity to be here. Kind of feels like home. I spent thirteen
16 years on a farm in Wisconsin. So it's really nice to come back to a group
17 of people who care about the land and crops and people.

18 I'm here really wearing two different hats, although I am
19 Director of Food Services and Purchasing for the Alisal Union School
20 District, and I'm glad to hear the comments about school nutrition,
21 because obviously, that's where my career and my heart is.

22 And one of the reasons I'm here is to talk about 5 A Day,
23 because our school district has been a grant awardee of 5 A Day money for
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1 many, many years. And I have a handout for you. Some of it's pretty pat
2 information that the National 5 A Day people asked me to hand to you, but
3 I also have some of my own comments.

4 And I'm hoping, also, that some of our menus were attached to
5 that so that you could see exactly how much produce the Alisal Union
6 School District offers their children on a monthly basis. I'd like to
7 start with letting you know that the Alisal Union School District was a
8 pilot program for the Department of Health and Cancer Prevention in 1996.

9 And it was through the study that they did with our school
10 district and neighboring school districts, Salinas City, that we were able
11 to show that children actually felt as though they received more produce
12 and fruits when they were in school than when they were at home.

13 So that was a nice positive thing for schools, but it also
14 showed us that we needed to do more education with the parents and to
15 intertwine whatever we do with children, that it needed to get into the
16 home environment. But the other thing that was significant to us is that
17 most of the parents of the Alisal Union School District are migrant
18 workers.

19 They work in your fields. They work in your sheds, and yet,
20 there was a real lack of understanding what good nutrition was about. And
21 we felt as though that that was a real eye-opener to us. So just because
22 you handle cabbage and carrots, doesn't mean you really know what it does
23 for your body and how important it is.

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1 Since 1997, the Alisal District has received substantial grant
2 money through the 5 A Day Nutrition Network to provide nutrition education
3 to the students of our district, and also to our parents. We work with
4 our English as a second language parents.

5 We work with our migrant parents and we also now work with our
6 newly-formed early childhood parents. And we actually have a registered
7 dietician, bilingual, who meets with these parents and gives them actual
8 nutrition courses, cooking demonstrations, et cetera.

9 We've also with our grant been able to hire two teachers who
10 are nutrition coaches who go into the classroom. That's all they do, is
11 to teach nutrition education and physical activity, not physical
12 education, but physical activity, how they go hand in hand, teaching
13 different lifestyles and how to make some healthy choices.

14 We have conducted classes for over four hundred parents and
15 over seven thousand students on an annual basis. All of the education we
16 have provided, in a sense, is free advertisement for the agricultural
17 community, because we are encouraging the consumption of more fruit and
18 vegetable, which provides more sales of fruit and vegetables.

19 Our district is also about to implement salad bars in all of
20 our elementary schools. Actually, we're kicking it off with one school, I
21 believe, on November 17th. We'll do another school as a pilot program, and
22 by next year we hope to have eleven schools having salad bars for the
23 elementary school districts.

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1 And as you read our menus you will also notice that there is
2 an abundance of fruits and vegetables on our menus. I would like to share
3 just a little personal, wonderful story about a fifth-grade student named
4 Eddie. Last year he was working with one of our nutrition coaches for the
5 year.

6 And over the summer on his own he lost over twenty-one pounds,
7 and when he came back to school and he saw the nutrition coach this year
8 he told them the story that he used to love to eat nothing but greasy
9 foods. And because of the encouragement and the education that the
10 nutrition coach was able to give this little boy, he decided that he
11 wanted to eat more fruits and vegetables.

12 And I'm sorry I don't have his letter with his words in front
13 of me for you, but those were his words. His biggest thing that he said
14 to me that still always gives me goose bumps when I repeat it is he says,
15 I now have friends, because as an obese little boy he didn't have friends.

16 He wasn't asked to participate in sports. He says he is now
17 playing sports and he has friends. So I feel as though due to the monies
18 that we received from the 5 A Day grant, it filtered right on down, and
19 boy, this really did touch a child in our lives.

20 And I think this is the important thing that we need to know,
21 is that we are touching children's lives and we need to continue touching
22 children's lives. And this little boy is on his way for making healthy
23 choices for the rest of his life.

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1 The work our district has accomplished is not unique. There
2 are other agencies and departments and statewide, nationally, who also
3 conduct classes or outreach work. And without this money for 5 A Day it
4 wouldn't be possible to do it.

5 I also feel like we need more collaboration with the
6 agriculture industry. I'm glad to hear some of you saying you support
7 nutrition education and you support different things for school lunch.
8 Well, we need your support on a more direct basis.

9 It would be great if you want to adopt us and work with us and
10 come into the classrooms. I will help you do that if you want to do that.
11 But we also need to have the funds available. So I implore this panel to
12 please make sure that some of the monies that you're looking at does get
13 directed to the 5 A Day marketing programs in the State of California.

14 And I would be glad to answer any questions at any time. I
15 did supply my business card with that also, and I thank you very much for
16 this opportunity.

17 ERIC LAURITZEN: Thanks very much for your comments.

18 Basil. Basil Mills of Mills, Inc., President and local
19 community leader. Following Basil will be Tom Nunes.

20 BASIL MILLS: Good morning. I'm Basil Mills, President of
21 Mills, Incorporated, a grower, shipper of fresh vegetables headquartered
22 in Salinas, but we also ship out of other areas of California, the San
23 Joaquin Valley and Imperial Valley.

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1 I'm here today to recommend to the Department of Food and
2 Agriculture that you allocate five point two million dollars (\$5.2
3 million) of California's specialty crop block grant to support the Produce
4 for Better Health Foundation's 5 A Day marketing programs on behalf of the
5 produce industry of the State of California.

6 It's been good to hear Growers Shippers, Western Growers and
7 the eloquent lady that just spoke in favor of this program. I've been on
8 the National Board of 5 A Day since it went national in 1991, part of that
9 as a member of the California Iceberg Lettuce Commission in the mid-80's.

10 We were involved in the program -- getting the program started
11 in California, which was a great benefit. The Produce for Better Health
12 Foundation since 1991 has promoted the life-saving benefits of including
13 five to nine daily servings of fresh fruits and vegetables in the American
14 diet.

15 Working in partnership with the National Cancer Institute and
16 the Centers for Disease Control and Prevention and private health
17 organizations, the foundation collaborates with more than two thousand
18 health professionals on healthy eating education, reaches consumers in
19 thirty-five thousand supermarket outlets in the U.S. and provides 5 A Day
20 programs for local and state agencies, private organizations and
21 businesses throughout the United States.

22 5 A Day promotions and marketing efforts with retail
23 supermarkets, food service organizations, restaurants, hospitals and other

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1 institutions in California would have a positive effect on the economic
2 health of the state's produce industry and a profound impact on the
3 state's economy.

4 We propose to utilize specialty crop block grant funds to
5 benefit California agriculture by focusing intensive efforts to drive
6 fruit and vegetable consumption through expanded emphasis on 5 A Day
7 marketing, promotion and awareness strategies.

8 A few of those strategies are to stimulate consumption of more
9 daily servings of fruits and vegetables using specialty crop grant funds
10 to leverage additional dollars for greater impact of the 5 A Day message;
11 focus on consumer marketing and outreach with point of purchase promotions
12 directed to consumers at retail outlets.

13 Target specific in-state audiences for marketing, promotion,
14 awareness initiatives to stimulate increased produce sales; develop and
15 implement school lunch salad bar program in California to provide the
16 state's young people with an increased variety of fruits and vegetables in
17 the school lunch program.

18 School food service directors know that children eat more
19 fruits and vegetables when offered a salad bar. Expand a 5 A Day
20 community leader training program in California to provide information,
21 resources and training to assist individuals and community organizations
22 in implementing 5 A Day programs for targeted populations in the state.

23 Investing a portion of the state's specialty crop grant in the
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1 5 A Day program is a very appropriate use of specialty crop block funds
2 for three additional reasons. One, 5 A Day promotes all fruits and
3 vegetables on a national basis.

4 California growers, packers, shippers and distributors sell
5 their product in a national, indeed, a global market. And the 5 A Day
6 message maximizes the impact of every dollar, assuring added value in
7 every promotion, in every educational awareness strategy.

8 Two, 5 A Day is no stranger to California, as I mentioned
9 earlier. Growers know and believe in the program. The State of
10 California currently supports 5 A Day in its efforts to deliver the 5 A
11 Day health message to all Californians.

12 Nearly all state organizations and commodity boards
13 representing the produce industry support 5 A Day. The 5 A Day has a
14 history of partnerships. The Produce for Better Health Foundation would
15 work with current 5 A Day activities in the State of California.

16 In closing, we urge your thoughtful consideration of our
17 request. We support an allocation of five point two million (5.2 million)
18 for the 5 A Day for Better Health Program as an investment in the health
19 and future of California agriculture.

20 It is investment in a statewide promotion and educational
21 awareness initiative that will drive fruit and vegetable consumptions,
22 improve the economic health of the California fruit and vegetable
23 industry, help Americans nationwide make healthier food choices, and over

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1 time, reduce healthcare costs for illnesses related to diet and nutrition.

2 Thank you for this opportunity to be with you today.

3 SECRETARY LYONS: I'm going to interrupt just for a second.

4 Suzanne and Basil and Jim, would it be possible to get an example of a
5 pilot project in one of the schools and what that costs, say, for a year?

6 I'd like to request a copy of such information.

7 I'm not sure who would handle that in 5 A Day, but an actual
8 example of what school x would need to run a good pilot project. I would
9 like to have that if I could.

10 SUZANNE DU VERRIER: Can I ask for some clarification? Are
11 you talking about specifically nutrition education in the classrooms?

12 SECRETARY LYONS: How about if I just leave that up to you. I
13 was looking for more of an actual pilot project with a school food service
14 project.

15 SUZANNE DU VERRIER: I can do more than that.

16 SECRETARY LYONS: Okay. If you can work with Jim and Western
17 Growers, give me an example, I'd like to see that; what a pilot project
18 like that would cost. Thank you.

19 ERIC LAURITZEN: Next up, Tom Nunes, the Nunes Company.

20 TOM NUNES: I don't have a testimony to make, but I'm sending
21 it written.

22 ERIC LAURITZEN: Okay. Thank you.

23 Next up would be Steve Collins, from Ocean Mist, and following
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1 Steve -- Steve, go ahead.

2 STEVE COLLINS: All right. Thank you very much. Good
3 morning. It's a pleasure to be here before you today. My name is Steve
4 Collins. I'm Vice-President of Ocean Mist Farms in Castroville. We farm
5 approximately sixteen thousand acres in California and Arizona, and I'm
6 here today also to support the 5 A Day Program.

7 We also recommend that five point two million dollars (\$5.2
8 million) of the California specialty crop block grant go to Produce for
9 Better Health Foundation 5 A Day Program. I had many of the same talking
10 points that Basil did. So I have very rapidly gone through and scratched
11 about 60% of my prepared comments.

12 However, I added a few at the end, so if you'll bear with me
13 for just a moment. By the way, Eric, I'd like to say I've never seen you
14 in a tie, and you're styling quite well today.

15 (Laughter)

16 STEVE COLLINS: I would like to spend part of my time today
17 telling you why Ocean Mist Farms does indeed support the 5 A Day Program.
18 We believe it's a good investment in the State of California and a good
19 use of these specialty crop funds.

20 The 5 A Day Program's impact on driving fruit and vegetable
21 consumption for the last ten years, indeed, I think has been quite
22 auspicious. Americans have consumed greater daily quantities of fruits
23 and vegetables than ever before, and the foundation efforts have raised

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1 awareness of eating five daily servings of fruits and vegetables, from 8%
2 in '91 to 29% in 1999, according to the latest statistics.

3 While the results are indeed impressive, we also realize that
4 fruits and vegetables are simply one of many choices that consumers have
5 on a daily basis. Every day the 5 A Day competes with attention for foods
6 and advertising that simply dwarf the budget of that organization.

7 No amount of funds that the foundation would ever have
8 available can compete directly with the dollars spent by food, beverage,
9 fast food, that sort of thing. But without the additional funds leverage
10 the resources and drive the message home, consumers can simply bypass the
11 produce department.

12 The foundation proposes to utilize these specialty crop block
13 grants to benefit California agriculture by focusing on intensive efforts
14 to drive fruit and vegetable consumption through expanded emphasis on 5 A
15 Day marketing, promotion and awareness strategies.

16 Investing a portion of the state's specialty crop grant in the
17 5 A Day Program is very appropriate, really for a couple of reasons. One,
18 5 A Day promotes fruits and vegetables on a national basis, as Basil
19 indicated. California growers, packers and shippers sell our product in
20 California, but also nationally and even internationally.

21 Dedicating 10% or five point two million (5.2 million) is a
22 way to maximize the impact of these dollars that are spent.

23 Secondly, 5 A Day is certainly no stranger to California. The
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1 growers here know and believe in the program. The State of California
2 currently supports 5 A Day in its efforts to deliver the health message to
3 all Californians. Nearly all state organizations and commodity boards
4 representing the produce industry in this state support 5 A Day.

5 In closing on that specific point, I do urge you to consider
6 five point two million dollars (\$5.2 million) of this money be spent on
7 that particular venue.

8 Secondly, I'd like to speak just for a moment -- and quite
9 frankly, I don't have a dollar amount in mind -- but I think most of the
10 growers in this room would agree with me that specific offshore and
11 foreign competition is hurting California agriculture significantly.

12 We're not afraid of competition. Quite frankly, it's what we
13 do. We are probably the one industry that spends significant dollars
14 without having any guarantee of return in the specialty crop industry. We
15 receive no subsidies or anything like that.

16 We put our money in the ground. We grow our crop, we harvest
17 it and then we sell it at whatever the market may be at that specific
18 point in time. But I'd like to tell you just briefly about a little -- a
19 story about a company that has been significantly wounded by offshore
20 competition.

21 There's a packing company in Castroville, most of you have
22 heard of it, that's going bankrupt. The reason it's going bankrupt is
23 because the Spanish competition subsidizes 70% of the cost of production

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1 and shipping of that product over to the United States.

2 When they can send a commodity from Spain with an FOB half of
3 what it costs us to produce here, including shipping, there's a serious
4 problem involved with that. I think it's an awareness that the USDA and
5 others must have that California agriculture is willing to compete, but
6 there has to be answers as to how we compete on a level playing field.

7 So I just wanted to bring that to your awareness today. All
8 crops are affected by this. It's not just California produce. Cotton is
9 having its fanny kicked by countries outside of here. I think you're well
10 aware of the problems and the issues in the cotton industry.

11 The Washington apple people are being devastated by China.
12 Garlic is no longer a product that will be affiliated with Gilroy in the
13 years to come. It's being devastated by China. A level playing field is
14 all we're asking for, and I think it's something that our Legislature and
15 our regulators need to take a look at. So when I had an opportunity and a
16 forum, I thought I'd take an advantage to bring that up.

17 Lastly, on the education issue, I'm an alumnus of the
18 California Ag Leadership Program. It's an outstanding program. There are
19 nine hundred of us that are floating around the State of California, and
20 some of us are in the Legislature in Washington. Some of us are in the
21 Legislature in Sacramento.

22 It's an outstanding program, and this is an industry that is
23 in constant need of leadership, of people training to move up into the

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1 leadership ranks within our roles. It costs forty-five thousand dollars
2 (\$45,000) to fund a two-year educational program for a member of the
3 California Ag Leadership Program.

4 At any point in time there's thirty people going through the
5 program on an annual basis. It's two hundred and fifty thousand
6 (\$250,000) to fully endow a permanent seat in that. And I would ask you
7 to seriously consider doing something like that. If you cannot
8 permanently endow a seat, certainly forty-five or fifty thousand dollars
9 (\$44-50,000) to fund one of the positions would be most helpful.

10 With that, I have concluded my remarks. If you have any
11 questions, I'd be happy to answer them. Otherwise, I'll take a seat and
12 let the next person come up. Okay. Thank you.

13 ERIC LAURITZEN: Thank you, Steve. We've got a couple of
14 maybes. Bill Ramsey, did you have any -- want to make some comments?
15 Following him, I don't know if Brett Harrell, from Nunes Company wants to
16 speak, or if that's covered in written form, as well.

17 BILL RAMSEY: First off, Bill, Valerie, Vanessa and all your
18 staff, welcome to Salinas and thank you for coming and listening to us.
19 You know, the common thread I'm hearing -- and by the way, I'm a member of
20 the State Board of Food and Agriculture in California, and we're appointed
21 by the Governor of California to serve on this Board.

22 And it's an honor to do it. It's an honor to have the
23 Secretary come to our area and listen to us. And what I heard this

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1 morning, the common thread and theme, is education. It's a 5 A Day
2 Program. It's a nutrition program presented by the young lady at Alisal
3 School.

4 It's the education program from the young lady who came from
5 North High and the FFA Program. The common thread here is education and
6 health. Certainly, if you eat more vegetables, we all know it's going to
7 be healthier for us and our families and also reduce the cost of medicine
8 throughout the country because you're going to be healthy -- healthier.

9 It's interesting, when we were talking about this last night
10 we realized that if we are successful in spreading this money
11 appropriately across California, we have the opportunity to perpetuate
12 this program over time.

13 Between the State of California and the Governor, and in the
14 case of Ann Veneman, who's the Secretary of Agriculture, we have a unique
15 opportunity here to put our best foot forward on behalf of all of
16 agriculture in California, and in the process, hopefully perpetuate the
17 funds necessary to continue such programs. Thanks again, Bill, for
18 coming.

19 ERIC LAURITZEN: Thank you, Mr. Ramsey.

20 Did Brett Harrell want to come up? Is he here with Nunes
21 Company? I guess that'll be handled. And just for the record, the
22 written comments should probably be in by the first of November. They're
23 working on a pretty tight time schedule here for making some decisions.

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1 So if you do have written comments I'd urge you to get them to
2 the Department as quickly as possible. Any questions about that timing
3 probably could be directed to Vanessa if anybody has a question.

4 Steve McIntyre. Steve's with Monterey Pacific, President of
5 Monterey Pacific.

6 STEVE McIntyre: Thank you for the opportunity, Mr. Secretary,
7 and others to speak to you today. As Eric mentioned, I'm President of
8 Monterey Pacific. We farm premium wine grapes here in the Central Coast.
9 I'm also a board member of the California Association of Wine Grape
10 Growers, and we will be preparing text that should be to you shortly
11 regarding our views on how this money should be spent.

12 I think it's interesting what we've heard about the 5 A Day
13 Program. I think the wine industry would strongly support that. I also
14 think that secretly we hope that the USDA might someday include wine as a
15 food group, but seriously speaking, I do think education is important.

16 I think our organization thinks education is important. It
17 was neat to see the FFA people here today. I think FFA, 4-H, ag
18 leadership, are all great places where block money can be spent. But more
19 importantly, today I would like to see a considerable amount of money
20 placed towards exotic pest exclusion.

21 Mr. Iverson talked about the nursery industry hardships that
22 have been endured because of exotic pests, not just the glassy-winged
23 sharpshooter, which of course impacts my industry. But I think we need to

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1 review exotic pest exclusion policies, specifically the rating system.

2 I think that the pest rating system needs to be gone over and
3 adapted to present day agriculture. I think that a lot of what happens
4 there is outdated. I also think that the nursery industry, that there
5 should be specific -- additional and specific treatments, additional
6 treatment protocol for them to help them, especially the nurseries in
7 Southern California that are in fact enduring hardship because of the
8 exotic pests.

9 And I think that containment efforts, specifically in Kern
10 County, should be funded because that's the line in the sand. That's the
11 line in the sand that's been drawn. If we can contain it there, that
12 speaks well for the rest of the state, and this is a cross-commodity
13 issue.

14 This is not just specific to wine grapes. We've got to get
15 that message out. I think that containment is the only hope we have
16 because the next step would be to put some money towards additional
17 research because we don't have a cure for it. So that's important to
18 several industries.

19 I think that there should be additional funding for the
20 counties during this glassy-winged sharpshooter battle. It's been very
21 apparent from my standpoint as current Chairman of the Central Coast Task
22 Force for Pierce's Disease that there's an adequate funding for county ag
23 commissioners to do their job with exclusion and containment.

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1 And finally, I would like to see additional monies being spent
2 from these grants for sustain-ability. I think that's a place where
3 California, of course, has and will continue to shine; and I thank you for
4 this opportunity.

5 ERIC LAURITZEN: We're at a point where we could just take a
6 fifteen-minute break and we'll come back. We have about eleven more
7 speakers. If anybody's put a question mark as a possible speaker and
8 they'd like to clarify that, come see me. Thanks.

9 (Recess at 10:10 a.m., until 10:28 a.m.)

10 SECRETARY LYONS: If I could just interrupt the group for a
11 minute, I have a good friend and a visitor from Maine. I don't know if
12 he's here visiting or spying, but I'd like to introduce Commissioner Bob
13 Spear from the Maine Department of Agriculture.

14 BOB SPEAR: Thank you, Bill. This is a surprise to Bill, but
15 I have a group of farmers who are touring California out here, and who
16 started in L.A., came up through Bakersfield and into San Luis Obispo,
17 will end up in San Francisco and the Napa Valley.

18 When we said we're coming to the Ag Commissioner's Office,
19 they said that it's holding a hearing here today on some money and I
20 started asking questions. They said the secretary was here, and I said,
21 yeah, I know what that's all about. I've already done that.

22 So I've enjoyed working with Bill in this past couple of
23 years. And what's interesting, here we are, Maine, which is small in

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1 agriculture compared to you people, but it's very interesting. We have a
2 lot in common. We have sat together, side-by-side, fighting for the same
3 things against some of our fellow states that look at things differently,
4 right Bill?

5 SECRETARY LYONS: That's right.

6 BOB SPEAR: And it's very interesting that we both in this
7 block grant money that you're talking about today was based on specialty
8 crops, and that's what is in Maine. All our crops are considered
9 specialty crops.

10 So it was important to us, but it was a lot less money than
11 what California has to grapple with here. From our touring through the
12 state today, we can see why you have a lot bigger share of that money,
13 Bill.

14 SECRETARY LYONS: Bob and I, have gotten to know each other
15 just in the last few years at some of the national conventions, and we
16 find ourselves on the same side of the fence in -- especially on specialty
17 crops and issues.

18 I think one of our biggest advantages; we're both starting to
19 learn that midwestern drawl so that when we talk, and they think that
20 we're from the Midwest. But no, I've enjoyed our relationship, Bob. I
21 wish your group -- I see them in the back, are enjoying sunny California.

22 FROM AUDIENCE: We are.

23 SECRETARY LYONS: It's like this every day here.

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1 (Laughter)

2 SECRETARY LYONS: Thanks, Bob, for stopping by and good luck
3 in disbursing your funds.

4 BOB SPEARS: Yes. Let me know how you do it and we'll --

5 SECRETARY LYONS: Well, if I have any extra I'll send them --

6 BOB SPEARS: Yeah, go ahead.

7 (Laughter)

8 SECRETARY LYONS: Thanks again, Bob.

9 Maybe just another quick comment. We've talked a little about
10 this NFACT coalition that we formed. Actually, Bob is part of a brand new
11 group called the Eggplant Caucus, and that's a group from the northeast
12 who are also trying to deal with specialty crop issues.

13 Now, NFACT and the Eggplant Caucus are trying to get together
14 on a number of different issues. There's going to be some exciting
15 things, hopefully, in the next six to ten months regarding the farm bill.

16 Here you go, Eric. Thanks again, Bob, and you guys have a
17 safe trip up and down the valley here and the coast.

18 BOB SPEARS: We appreciate it.

19 SECRETARY LYONS: Oh, hey, no problem. In fact, take some of
20 that California fruit with you, okay?

21 ERIC LAURITZEN: Thanks, Bill. Okay.

22 Next speaker up, Chris Bunn, the President of Monterey County
23 Farm Bureau. Following Chris, would be John D'Arrigo, President of
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1 D'Arrigo Brothers.

2 CHRIS BUNN: Thank you, Secretary, for your time, and Panel,
3 also. My name is Chris Bunn. I'm a farmer here, third generation, and I
4 am affiliated with the Farm Bureau and I'd like to just make some general
5 comments from our perspective.

6 We have about five hundred voting members here in the county
7 that are ranchers and farmers, and they are very involved in the specialty
8 crops. I think we -- Eric, am I correct, about eighty plus specialty
9 crops are we here. And we really want to reemphasize the ideas and the
10 support for your grant -- block grant monies for research, as well as
11 education.

12 The research center is something that we've all been working
13 on for many years here, and I think we see a place for that; very, very
14 important for the Central Coast, not just for the Monterey County. And I
15 want to highlight ag education. I see so much with the next generation.

16 As we get a little bit older, we see how fast that next
17 generation is coming up, and they are coming up quick, folks, and we have
18 a different composite of people here, a lot of people who are our first
19 generation, people who have come into this country, and they need to be
20 educated about ag, and especially the specialty crops.

21 I have some personal experience with some farm tour type
22 issues here locally, and I'm just baffled by speaking to young people who
23 are very well-educated who have no idea, you know, what a seed does once

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1 it's put in the ground or what a particular crop looks like.

2 It's great fun to have people identify the local crops here
3 and they tell you that, you know, broccoli is lettuce and celery is
4 squash, and it's just -- it's amazing. So I would really, really
5 highlight any kind of funds for ag education, and of course, this ag
6 research center.

7 Something that's a little bit of a stretch here, but I want to
8 throw it out if I can, because I think it's really critical. It's the
9 area of environmental concerns. We have a county here that is a real
10 jewel of a county environmentally, but is also a jewel agriculturally, and
11 we have real -- a lot of tension here and a lot of government overlay in
12 making it difficult restricting farmers to farm here.

13 And we would like assistance, and I don't think it's big
14 money, but I think if we could have some seed money that could be given to
15 some of the organizations that are working here, such as the Farm Bureau,
16 Growers Shippers, Western Growers, those groups having some oversee of
17 that money to work in environmental areas.

18 We have -- the pesticide issue was mentioned by the vintners,
19 or the exotic pests, but there's a lot of areas environmentally that are
20 affecting our different groups in the farming community here, and
21 specialty crops. Just one quick one I want to mention for our interests
22 for the Farm Bureau and I've been involved in that.

23 It's a six-county coalition, our neighboring counties here in
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1 the Central Coast. We've gotten together to do a watershed management
2 plans, and working with the Monterey Bay Sanctuary, which is very much
3 highlighted in this area, and we are very concerned on kind of who
4 monitors, who controls the water quality concerns, all these issues.

5 And it basically boils down to monies for people to do
6 fieldwork, to do these long-term monitorings, and if it's -- and I think
7 the farming community would be a lot more cooperative if they knew they
8 had some control over those people and not just had all sorts of
9 government entities coming out in their properties.

10 So maybe some sort of seed money to support these watershed
11 management groups that we started. We've been working with the -- what is
12 it, NR -- how do you say it? What's the acronym for the -- say it? NRCS.
13 They have been great.

14 They've gotten a lot of hands-on with the farmers over in the
15 Watsonville and Castroville area, and I think more of that kind of work
16 would be really helpful, and any kind of seed money for small programs for
17 monitoring and designing some of these watersheds would be very helpful.

18 But our big concern is that, and of course, education. We
19 really want to emphasize that, education in the classroom for the next
20 generation. Thank you for your time.

21 ERIC LAURITZEN: Okay. Thank you, Chris. Okay. Secretary is
22 indicating that it would be helpful if you do have any sense about dollars
23 associated with any of the requests it'll help in the decision-making

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1 process, even if they're estimates at this time.

2 So next, I'd like to call on John D'Arrigo, from D'Arrigo
3 Brothers. Following John will be Pat Hopper.

4 JOHN D'ARRIGO: Thank you. As Eric said, my name's John
5 D'Arrigo. I'm with D'Arrigo Brothers Company of California. My family's
6 been in the industry since 1923, and we've got operations in Lodi over on
7 the Westside, also in Imperial Valley and a few other plots in California.

8 My point's simple and it relates to research. I want to focus
9 on that for a moment. All the points brought up are definitely important,
10 but there are currently eleven UC Research Centers in California, and this
11 region is the only major production region without a UC Research Center.

12 That's baffled me my whole life. Regional production values
13 exceed five billion (5 billion) and it's nearly 20% of California's
14 production. To the point, in my opinion the bugs are winning. The
15 diseases are winning. We need a research center.

16 Applying more pesticides, fungicides, insecticides, and
17 fumigants clearly isn't the answer. Going organic isn't the answer. We
18 need a research center. I believe that investment in that center could be
19 the single most important investment in our specialty crops here. Thank
20 you.

21 SECRETARY LYONS: John, during the hearing there's been three
22 or four people that have mentioned the research center. Not being
23 completely familiar with it, is it more than just a concept? I mean, is

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1 there groundwork that's already been laid with the UC system?

2 JOHN D'ARRIGO: Yes. And -- okay. Go ahead.

3 ERIC LAURITZEN: Yeah, I can -- in fact, Steve Nation is here
4 from the university and he's planning to speak. And there's been a great
5 deal of effort and even some sites located and a variety of progress have
6 been made, substantial progress has been made. So I'm sure Steve will
7 cover that.

8 *Pat Hopper. Following Pat would be Nancy Ramm. Pat's with*
9 *the Artichoke Advisory Board.*

10 PAT HOPPER: Good morning. You can see me?

11 (Laughter)

12 PAT HOPPER: I'm one of the culprits who put a question mark
13 as to whether or not I would make any comments, because I really didn't
14 know what was going to be said here today. I have no written comments,
15 but I do have a feeling. And what I'm hearing here today is very good,
16 but it's very general.

17 5 A Day is a good program. It's a general program. Produce
18 for Better Health is also a good program, but it's general. What I'm
19 looking for is some money given to individual commodities to help them
20 promote their very particular good things.

21 I am tired of hearing about Bubba's fat-burner pills.
22 Consumers out there buy them because they believe it. When they hear
23 things about broccoli and lettuce, they hear, "may" lower your

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1 cholesterol, "may" help you. Consumers are not dumb. They want to hear a
2 sure thing.

3 So all of the individuals' commodities need to get the money
4 to give them the research so that they can come back and say, hey,
5 artichokes lower your blood cholesterol, artichokes make your liver work
6 better. As a matter of fact, in the San Jose Mercury News yesterday I
7 read an ad, and it was called "First Call."

8 Do you know what "First Call" was? It's a pill made from
9 artichokes that'll prevent hangovers. Now, is that a marketing tool? I
10 want to say, artichokes prevent hangovers, and this is a proven fact. And
11 by the way, wine isn't one of my food groups. So please do put something
12 in there for individual commodities. Thank you.

13 ERIC LAURITZEN: Okay. Next up. Nancy Ramm, with California
14 Strawberry Commission, and following Nancy will be Barbara Meister.

15 NANCY RAMM: Good morning. I'm Nancy Ramm, California
16 Strawberry Commission. We are going to be submitting written testimony,
17 but we had several key points that I would like to read into the record.
18 The California Strawberry Commission supports the Ag Issues Forum position
19 for allocation of funding made possible through the specialty crop block
20 grant program.

21 There are several areas that we feel would benefit specialty
22 crops within California, and are very appreciative to have the opportunity
23 to be heard on this very important issue. Primarily, the funding should

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1 support demand-oriented programs to increase demand for California's
2 specialty crops.

3 Firstly, the Buy California Program. Governor Davis has
4 already earmarked twelve million (12 million) from the block grant funds
5 for the Buy California Program. However, we want to continue to emphasize
6 the importance of supporting this new program.

7 Please insure that the funds are indeed funneled to that
8 program. Secondly, demand-oriented grant program. This program would be
9 modeled after the successful Federal Market Access Program, MAP.

10 The program would encourage industries to focus on measurably
11 increasing demand for individual commodities within the United States,
12 through programs that motivate the trade to carry, promote and advertise
13 California specialty crops more often than that, and motivate customers to
14 buy said products more often.

15 This program would help California farmers overcome the
16 inherently high cost of farming in California and compete on an even more
17 even footing with the lower-cost domestic and international producers. It
18 is recommended that twenty-five million (25 million) be considered for
19 this program.

20 And lastly, food safety program support. Western Growers
21 Association is supporting funding for food safety programs in California.
22 We agree that food safety is a high priority for our industry. However,
23 we strongly support grant funding or reimbursement directly to the

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1 California Strawberry Commission for the food safety program we developed,
2 funded solely by California strawberry growers and shippers.

3 We initiated a food safety program for California strawberry
4 growers, shippers and processors in 1996. Over the past several years we
5 have continued to refine this program, add components and work with CDHS
6 division of CDFA to insure the program remains on the cutting edge of
7 emerging food safety concerns.

8 Since we are a public entity, our program served as a model
9 and was made available to all other commodities within California,
10 nationally and internationally. The California Strawberry Commission
11 through grower assessments is paid over two hundred thousand (200,000) in
12 material and educational programs from 1996 through 2001.

13 This does not include personnel hired by the Commission to
14 administer the program and work within the produce industry and public
15 health community. Total commitment to food safety programs and education
16 has resulted in expenditures exceeding five hundred thousand (500,000).

17 The Strawberry Commission would like to receive a grant to
18 offset the five hundred thousand (500,000) expenditures it has incurred to
19 date, to allow continued education and development in the food safety
20 arena for California strawberries.

21 In return, we would provide quantifiable results of the food
22 safety program, materials, copies of requests from other organizations and
23 anything else necessary. Thank you very much for your continuing support

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1 of these programs and to allow us to speak here today. Thank you.

2 ERIC LAURITZEN: Thank you very much.

3 Next up, Barbara Meister. Following Barbara is Brian Leahy.

4 BARBARA MEISTER: Good morning. My name is Barbara Meister.
5 I'm here today wearing two hats, but primarily one. One of my hats is I'm
6 on the Board of Directors for the Community Alliance with Family Farmers.
7 I represent the Central Coast Chapter to that state organization.

8 But the primary hat I'm wearing today is I'm part of a start-
9 up company called America Fresh, and what we are doing is building
10 infrastructure for local food distribution direct from small-scale growers
11 directly to high-end restaurants. We work with about twelve growers in
12 Santa Cruz, Monterey and San Benito counties, serving about forty
13 restaurants in the San Francisco Bay area and six specialty retail produce
14 buyers.

15 For us, specialty crops means heirloom varieties organic
16 produce, those very unique, intricate, delicate type of items you find at
17 a high-end restaurant that you won't necessarily see growing on a large-
18 scale farm, but yet, small-scale growers have the advantage and the
19 opportunity to focus on new, innovative crops.

20 And thus, we are in the business of providing the
21 infrastructure for them to access those specialty markets, primarily, the
22 restaurant culinary industry. Small-scale growers in this county in this
23 region, as Commissioner Moeller pointed out in his opening remarks, are a

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1 viable and growing sector of agriculture here in the heart of California
2 agriculture.

3 And what we are focused on is helping those growers attain
4 their competitive advantage, which is innovation, freshness, and flavor,
5 and that's what chefs in the culinary industry demand. That market, the
6 restaurant, food service market, has been growing at a rate of 5.5%
7 annually since '96.

8 That's higher than the retail produce markets, or retail
9 sector of 3.5% growth. And almost half of our meals are eaten away from
10 home. So this restaurant industry, food service sector provides a great
11 opportunity for small-scale growers to access that market.

12 However, in order for growers of this scale and specialty to
13 take advantage of those opportunities requires an investment in that
14 sector to bolster their position and their competitive advantage. And you
15 have this wonderful opportunity to make an investment into the small-
16 scale, organic food sector in the State of California.

17 I want to focus just three recommendations, and these are
18 based on what you'll be hearing about from Brian, a composite of ideas
19 that have been put together by the Community Alliance of Family Farmers
20 and Coalition with other groups called the Fair Share Plan, to focus
21 specifically on this sector of agriculture.

22 Three points that I want to highlight from our perspective as
23 a company working to bolster the sector. First is to focus about eight

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1 hundred thousand dollars (\$800,000) in research and development, market
2 development of small-scale crops, specialty crops, and putting that money
3 through an existing infrastructure at the University of California, Davis,
4 the Small Farm Program.

5 That has been working primarily with small-scale growers and
6 uniquely with immigrant farmers. Excuse me. Secondly, investments in
7 technical assistance for organic farming systems. Organic farmers have
8 been pioneering with absolutely little to no investment into the research
9 and science behind that sector of agriculture.

10 It is a growing market and a primary opportunity for small-
11 scale growers. To our customers, they're buying organic produce not
12 necessarily because it's organic per se, but because they are perceiving
13 it as a higher quality product, and thus, that again, as I said, is an
14 advantage for the small-scale organic growers to access that high-end
15 market.

16 I would encourage a one million dollar (\$1 million) investment
17 through, again, existing infrastructure, the University of California
18 Sustainable Agriculture Research Education Program at UC Davis. They've
19 just begun with some foundation dollars, which is very temporary money, to
20 invest in farm extension advisors. I'd like to see that dollars matched
21 with funding from this block grant.

22 Third, the Buy California campaign we've been hearing about,
23 I'd like to see at least a portion of those dollars, if indeed you're

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1 going to be focusing on that, to be focused on a Buy California direct,
2 direct from small-scale growers either at farm stands or farmers' markets
3 or through CSAs.

4 And also, that would be focused at consumers, but also at
5 institutional food buyers, school lunch programs as we've heard about this
6 morning, and of course, from our self-interest, restaurants and chefs to
7 buy direct from small-scale growers.

8 These are cash markets and as we all know, cash flow is king
9 when it comes to small businesses and keeping these farmers viable. Even
10 on a large-scale farm business, I'm sure some -- most of you would agree
11 that cash is king in this case. Direct marketing provides that source of
12 economic viability.

13 So in closing I just want to echo again the issues and items
14 that Commissioner Moeller brought up in his earlier remarks about the
15 needs of small-scale growers and the opportunities that they have for
16 direct marketing, and he also mentioned agri-tourism and the opportunities
17 for community-based marketing, local marketing, as our company is focused
18 on.

19 The small farm and organic sector is viable in this state and
20 is growing, and there is growing consumer awareness and interest in
21 supporting that sector of agriculture. Its needs, however, are unique
22 from large-scale agriculture. Both sectors need recognition, and in this
23 case I'm advocating for a very focused and deserving investment in small-

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1 scale and organic food sector. Thank you very much.

2 SECRETARY LYONS: What was the dollar amount for your third
3 recommendation?

4 BARBARA MEISTER: Oh, I'm sorry, one million dollars (\$1
5 million) for its focus on the direct portion of the Buy California
6 promotion. Thanks.

7 ERIC LAURITZEN: Thank you, Barbara. Brian --

8 SECRETARY LYONS: I didn't want you to forget that.

9 (Laughter)

10 BARBARA MEISTER: Thank you.

11 ERIC LAURITZEN: Brian Leahy, followed by Sam Earnshaw.

12 BRIAN LEAHY: Excuse me. I'm Brian Leahy. I'm the President
13 of California Certified Organic Farmers. I have to say it's nice to be
14 here talking about specialty crops. When I first started growing organic
15 I think it was considered a subversive conspiracy, and now we're actually
16 part of the mainstream.

17 We, CCOF, has about a thousand members, everything from some
18 of the largest agricultural entities in the state to the -- many of the
19 smallest. We are representative of California agriculture in that most of
20 our membership are small producers.

21 Most of our own revenue comes from a handful of very large
22 producers. We have three hundred and fifty crops in California. We
23 represent three hundred and fifty different crops, most of them specialty

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1 crops, but we also have grains. I was a rice producer. Rice is very big
2 in our program.

3 And this thousand -- my thousand members, I get called all the
4 time now and they all have pretty much the same concern. They can't make
5 a living farming these days, and when you boil it down there's -- it all
6 comes to one basic or maybe two basic facts.

7 One is they're paying too much for their inputs and they're
8 not receiving enough for their goods. I happen to farm with a man who had
9 gone organic in 1967, but just really was into a biological-based
10 agriculture, and he broke -- he's broken out of that treadmill.

11 And what he's done is his input costs are about a fourth of
12 his neighbors and he gets a premium when he sells. And that's what it's
13 really all about. It's about figuring how to produce this food at the
14 lowest prices, and what biological agriculture is about is using nature,
15 you know, if you buy seed, if you grow your own seed for your fertilizer,
16 that's -- instead of buying off farm input, or keeping that money in the
17 farming community.

18 Those are the kind of solutions that we need and that's some
19 of -- in our Fair Share Plan that we will give you, that's what we were
20 trying to address, was, how are we going to get farmers to be able to
21 produce at a lower price, or have to spend less to produce the same, and
22 that's what we've done.

23 And then how are we going to get a fairer price for this, and
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1 sometimes that fairer price is going to be farming -- or selling direct.
2 Farmers' markets are an incredible institution. You know, I have apple
3 producers that are selling apples for a dollar fifty (\$1.50) a pound and
4 they're keeping a dollar forty-eight (\$1.48) of it.

5 You know, if they're selling through retail they're lucky to
6 keep twenty-five, thirty cents of that. And also, we need to reeducate
7 our children, you know. Our competition, the mouth entertainment, you
8 know, the junk food, they're spending billions of dollars to get us to eat
9 mouth entertainment.

10 What we need to do is get our children to realize that if they
11 eat an apple, not only is it just as refreshing or more refreshing than
12 that coke, but it's actually good for their body. It's not harmful. And
13 you know, obesity is a major problem in our children today.

14 And it's because we're -- we are not competing against the
15 other -- the mouth entertainment folk, and that's what we need to do. And
16 a really powerful way of doing that is the farm schools that's going on.
17 I was on a panel the other day with this grandmother that had gone to her
18 grandchild's school first day, wanting to help.

19 Walked down to the school cafeteria, knew immediately what she
20 needed to do, and she helped form the Berkeley School Program. And she
21 knew that the community centers around food. People will talk when you
22 start talking about food and they will come together.

23 And that's why this is a very powerful program that we are

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1 asking you all to support with some of this block grant money. And let's
2 face it, the reason why specialty crops need block grants is because -- is
3 the economic system's broken right now.

4 We didn't used to need that, but we do, and I think that if we
5 can reeducate our children and we can teach them about real food, you
6 know, food as nature intended not only is better for the body but it keeps
7 more money in the farm community than the processed food.

8 And I'm not against processed food. I mean, I buy organic
9 Oreos, and we certify them, I think. So that's a major thing. Research,
10 we do need research. Most -- to be honest, most of the research in the
11 land grant colleges has been dominated by high input agriculture, and
12 that's -- we need to start looking at other ways.

13 Nature is incredibly powerful and when you start working with
14 it, we can produce the food that we need and not resort to expensive, off
15 farm inputs that are creating many problems. So that's kind of the gist
16 of our plan, is basically figuring out ways to keep more money in the farm
17 communities, both by reducing the input costs and by getting the farmer a
18 more fair share of that retail dollar, and through education, getting the
19 consumers back to food as nature intended.

20 So we have a plan here. Please take a few minutes to read it,
21 and we ask for real money, and I think, you know, the idea of feeding
22 children -- one idea was just to allow every school or the prisons, all
23 the state institutions that are feeding people to go to the community

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1 first and see if they can source that fresh fruit, vegetables in their
2 local community and keep that money in the Humboldt County.

3 You know, let's keep the money there and let's keep it in the
4 farmers. Another program -- I asked one of my small farmers, what's the
5 most successful thing that we could do. And he said, well, you know what,
6 in my farmers' market the other day I had all these old people who had
7 never been to the farmers' market before, but they'd gotten these little
8 two-dollar (\$2) coupons good for farmers' markets, and that brought them
9 in.

10 And it's amazing, the farmers' markets programs are taking off
11 all over in the state right now. We're actually at the point where at one
12 time a farmer could go and sell everything he had at one farmers' market,
13 but now they have to go to three because we've increased the farmers'
14 markets, but we haven't increased the farmer market consumers.

15 And things like this Food Stamps Program, that gets people
16 out, goes to farmers' markets and they come back. That kind of stuff that
17 we use or that kind of few dollars will go a long way to keep the food
18 dollars into California. So anyways, fair -- I forgot to name -- the Fair
19 Share Plan. Please take a look at it. Thank you.

20 ERIC LAURITZEN: Thanks, Brian.

21 Next up, Sam Earnshaw, and following Sam is Stacie Clary.

22 SAM EARNSHAW: Hello. My name is Sam Earnshaw. I've farmed
23 on the Central Coast for over twenty years, and for eight years I operated
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1 my own farm in Santa Cruz County. And currently, I work for CAFF,
2 Community Alliance with Family Farmers, in the Central Coast.

3 We have over three hundred participating growers and members
4 who work with us in our programs and farm tours and meetings. I'm here to
5 talk about the farm plan that Brian mentioned, the Fair Share Plan that's
6 being sponsored by CCOF, the California Certified Organic Farmers, the
7 California Food Security Coalition, the Community Food Security Project
8 and CAFF, Community Alliance with Family Farmers.

9 The way I see it in the -- with the farmers that I work with
10 daily is that there's -- the three problems that stand out to me is one is
11 the cheap food, the cheap prices for food, the second is how farmers are
12 being impacted by food coming in from other countries, and then the third
13 thing is the issue of protecting farmland, farmland preservation.

14 One of the major organic farmers in -- organic and
15 conventional farmers in the Potter Valley was just telling me this week
16 how things are very difficult in organic farming right now in a sense that
17 stores will offer a low price, and then if they don't give them the low
18 price they say organic isn't available, instead of giving the high fair
19 price to the farmer.

20 So there's some very serious marketing issues going on with
21 organics as a specialty. And the whole issue of cheap foods; when I was
22 farming I -- something I learned was every year you come back and you get
23 the same price year in and year out that you're getting, and yet, all your

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1 inputs go up.

2 The drip tape, the sprinklers, the gas, the rent, everything
3 goes up except for what you get in food. I saw an article in the National
4 Geographic about Los Angeles, and it had a picture in the thirties of a
5 farmers' market, and there were tomatoes on the table for sixty-nine cents
6 (\$.69) a pound. That was like seventy-five years ago.

7 And you know, look at the things that we spend a lot of money
8 for, the shoes -- these fancy shoes everybody buys that cost over a
9 hundred dollars (\$100) and yet, people aren't willing to spend a little
10 more for their food. And this -- all it does is hurts the farmer.

11 It comes back, every year they've got to figure out how to
12 make more with the exact same resources they have. The food coming in
13 from other countries is a big problem. Like this same grower was telling
14 me how he was turning to perhaps processing as an avenue for his food, and
15 all the processing, broccoli, celery, cauliflower, it's all coming from
16 out of the United States.

17 They won't even touch it if it's grown -- well, that may be an
18 over-statement -- but to some point it's much more difficult. And then
19 third is the lost of farmland, which we know is a well-publicized issue.
20 So this Fair Share Plan addresses some of these problems.

21 The biological ag initiative, there's a real need for research
22 in sustainable agriculture and organic agriculture. We all know some of
23 the major growers in the Salinas Valley and in Potter Valley and all

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1 throughout California are both growing conventional and organic.

2 And a lot of knowledge still is out there on the insect and
3 the diseases and the fertility issues. The direct marketing part of this
4 Fair Share Plan addresses this cheap food and the food coming in from
5 other countries issue. Brian was talking about the farmers' market.

6 We were involved in starting a farmers' market in Watsonville
7 three years ago. It's doing okay, but he really hit the problem. It's
8 the farmers are fine. It's the consumers still haven't worked the
9 farmers' market into their lives.

10 It's just growing very slowly, but it should be growing
11 faster. It's a great market in Watsonville. It's right on the plaza.
12 It's got a lot of local growers, and it's doing better but it could be
13 doing a lot better. And the programs also, the WIC Program is a very
14 useful part of that market.

15 We get -- the farmers get a tremendous amount of their money
16 from those WIC coupons. And so these -- the marketing campaign to really
17 make farmers' markets more a part of people's buying habits I think could
18 really benefit.

19 And then the final thing is the farm to school program, which
20 is -- it really helps on all aspects of this, including the educational
21 component, the local, people really getting involved locally; the
22 education, where parents and teachers and especially the kids are linked
23 to their food supply.

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1 They learn much more about where their food comes from at an
2 early age. And then not mentioned in the fair share thing, but Jeff
3 Rodriguez probably will address this later, is CAFF is doing work with ag
4 tourism, which is another way for farmers to diversify their income.

5 And it can be -- each situation is different and there's a
6 multiple of opportunities for ag tourism, but that can be very helpful.
7 So I ask you to take a good look at this proposal, because the block grant
8 represents an opportunity to address some of these problems. Thank you.

9 ERIC LAURITZEN: Thanks, Sam.

10 Stacie Clary, followed by Stacy Shelby. Be sure to introduce
11 yourself and your affiliation.

12 STACIE CLARY: Sure. I'm Stacie Clary. I'm the Director of
13 the California Sustainable Agricultural Working Group, and what I would
14 like to do is kind of wrap up. You've heard a few speakers in support of
15 the Fair Share Plan, and I'd like to just go through real quickly what
16 that plan is, with the specifics and the numbers.

17 And I think some of you got this plan at previous hearings,
18 but for people who didn't, the SAWG is a coalition of twenty-six member
19 organizations. And one of the reasons we're really excited to join with
20 CCOF, CAFF, the Community Food Security Coalition and the Community Food
21 Project in pulling together this package is that it's really targeted to
22 supporting the eighty thousand small-scale farmers here in California, or
23 organic farmers, and also providing access to fresh fruits and vegetables

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1 for school children and for low income people, and also just increasing
2 the interaction between farmers and consumers through direct marketing
3 efforts.

4 And that's why we've been working very closely in pulling this
5 package together and promoting it, and they're asking for your support.
6 One of the first proposals we -- we broke it into three sections, and one
7 from our client, the California Bio-Ag portion.

8 In that is the requests for funding for organic research and a
9 matching grant for organic advisors through UC SAREP. That is one million
10 dollars (\$1 million), and we also requested an extra two hundred thousand
11 dollars (\$200,000) for an organic hotline.

12 And again, it's a growing market but there's a barrier in
13 farmers who want to transition to organic and getting access to that
14 information. The Small Farm Program does incredible work, working with
15 small-scale farmers on specialty crops, on food safety, pesticide safety
16 and in working with recent immigrant farmers, and we're requesting eight
17 hundred thousand dollars (\$800,000) for that program.

18 And the last component of the bio-ag is the Biologically
19 Integrated Farming Systems, part of UC SAREP again. We're asking for six
20 million dollars (\$6 million) for that. And that program will help farmers
21 increase the share of the food dollar by -- they're learning ways to
22 reduce inputs on their farms.

23 And also, in meeting in market, maybe not as specific as

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1 organic, but there is a demand for reduced pesticides. And when I go to
2 farmers' markets and I see that interaction between the consumer and the
3 farmer I constantly hear people asking, how is the food grown, how do you
4 grow it.

5 And by the information that comes through this they can meet
6 the concerns that some consumers have about chemical use on farms. The
7 second part is the farm to school proposal, and we're requesting one point
8 six million dollars (\$1.6 million) for a seed grant fund to develop
9 fifteen new farm to school programs in California and to provide
10 continuing support for existing projects.

11 And it's been very popular in Santa Monica, Berkeley, Davis
12 and Ventura and there's demands from many other cities and school
13 districts who would like to start this but need some seed grant funds.

14 And also, there's some problems with the grower distribution
15 in these farm to school programs, and so we're asking for six hundred and
16 twenty-five thousand dollars (\$625,000) in development of grower
17 distribution networks, as well as an additional hundred thousand (100,000)
18 to develop tours to the certified farmers' markets for children.

19 And I think we've heard a lot today about the importance of
20 education around agriculture and where our food comes from.

21 The last part of the plan is called Buy California Direct,
22 Know Your Farmer, and we're requesting one million dollars (\$1 million) to
23 launch a Buy California Direct marketing campaign that would increase the

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1 farmers' sales at California certified farmers' markets.

2 As well, we're asking for two point four million dollars (\$2.4
3 million), and this is for -- to provide matching funds for the WIC
4 programs and the senior farmers' market, and to facilitate being able to
5 use electronic benefits transfer for our food stamps.

6 I've heard from a variety of people that after seniors and the
7 WIC persons were given coupons to purchase produce at the farmers'
8 markets, one, the consumption of produce went up, but even when the
9 coupons ran out they kept going back to the farmers' markets.

10 So this is a really good base of consumers for the farmers at
11 the markets. And again, with food stamps, a large portion of them do go
12 to the farmers' markets, but as it gets -- the system is changing for
13 electronic benefits transfer it's harder for the farmers -- it's harder
14 for those people to go to the farmers' markets, and there needs to be some
15 kind of system so that they can actually purchase food at the farmers'
16 markets.

17 And then lastly, we're requesting almost one point five
18 million (\$1.5 million) for strengthening direct marketing options such as
19 training and technical assistance for farmers who want to begin community
20 support agriculture programs, and the farm fresh guide and a local harvest
21 website that is out there supported by the community lines with family
22 farmers.

23 So again, we thank you for the opportunity for presenting this
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1 plan, and any of us from our organizations would be happy to answer
2 questions.

3 SECRETARY LYONS: Stacie, just a quick question. Has the
4 coalition actually sat down and maybe prioritized these different
5 proposals, or would they?

6 STACIE CLARY: We would.

7 SECRETARY LYONS: Okay. Thank you.

8 ERIC LAURITZEN: Next up, Stacy Shelby, followed by Jack
9 Olsen.

10 STACY SHELBY: Good morning. My name is Stacy Shelby, and I'm
11 affiliated with John and Jane Q. Public. And I am here today and
12 respectfully request allocation of monies towards government and community
13 outreach and education awareness.

14 As an example, myself. The reason I'm here today is because
15 of this little article in yesterday's California paper, and it says:

16 "Members of the agricultural community are invited to a
17 hearing at 9:00 a.m. Thursday to give their input on the best
18 uses for federal block grants to assist specialty crop
19 growers."

20 Well, agriculture involves everyone because everyone needs to
21 eat, and I think many people are unaware of the many wonders and bountiful
22 varieties there are inherent in every crop.

23 I'm sorry. I'm unprepared and I will have a specific written
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1 proposal.

2 I do have background in 4-H and FFA, and I think everyone
3 benefits from understanding and being involved in the growth and
4 sustenance and conservation of plants. Thank you very much.

5 ERIC LAURITZEN: Thanks, Stacy.

6 Jack Olsen, with San Mateo County Farm Bureau.

7 JACK OLSEN: Good morning, Mr. Secretary, members of the
8 Panel. Jack Olsen, Executive Administrator, San Mateo County Farm Bureau.
9 I've got three quick points that I'd like to address here, which will be
10 followed up by very specific written comments.

11 First, we had the gentleman from Ocean Mist that spoke about
12 the impact of foreign competition. It's a frightening day when we realize
13 and look and understand through material provided by the Department of
14 Agriculture that the Spanish artichoke industry is subsidized to the tune
15 of two hundred and fifty million dollars (\$250 million) a year.

16 This is actually five times greater than the total output for
17 the United States, and this is paid directly as subsidy dollars to the
18 Spanish industry. Processed artichokes are only one of several crops here
19 in the Central Coast region.

20 Cut flowers have been greatly damaged and hurt by excessive
21 foreign competition with unfair trading practices, as have the brussels
22 sprout industry, which is basically centered between Monterey, Santa Cruz
23 and San Mateo County.

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1 I will provide very specific documentation as to the hurt and
2 the dollar value that is lost, and would like to advocate for a portion of
3 dollars being made available to growers to fill the gap due to these
4 losses that have occurred due to unfair trade practices.

5 And I really feel that we should take this as a marketing ploy
6 and a direction in working toward trying to solidify the markets for our
7 growers and protecting their resources, and not allowing foreign
8 competition to come in with unfair trade practices, or as some people call
9 it, free trade, because free trade is most definitely not fair trade.

10 California growers produce the safest and the best products
11 for consumption by the public, and I think the Buy California Program with
12 the funding that will go to that will help get that message across to the
13 American consumer.

14 Secondly, one other speaker spoke about the six-county program
15 which has been brought forward by the six farm bureaus here in the
16 Monterey Bay Marine Sanctuary, and additional funding for that program
17 would be most greatly appreciated.

18 Speaking for San Mateo County Farm Bureau, the northern
19 member, we have contributed over fifty thousand dollars (\$50,000) of the
20 reserves of our county farm bureau to try and make this program work and
21 to assist our growers with technical expertise in guaranteeing the safe,
22 protected quality of our waters.

23 And this has been a very aggressive stance for our County Farm
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1 Bureau because those monies aren't easy to raise and aren't easy to come
2 by, and additional funding coming in to support that program would be most
3 greatly appreciated and would help us keep the program up and running,
4 because it is a very expensive premise to get the staff people out to work
5 directly with the farmers, because it becomes almost a one-by-one or one-
6 on-one process in developing the farm management plans.

7 Thirdly, touching on pest exclusion and scientific research,
8 these are two great projects that are desperately needed here in the
9 Central Coast. A research station would be a very valuable asset and any
10 dollars that could be invested into pest exclusion would be greatly
11 appreciated.

12 I know a few years ago CDFA took the lead in trying to augment
13 and upscale the dollars that were contributed to the local commissioners
14 for inspections, and it was actually kind of frightening with Gale Raabe
15 our county ag commissioner, shared the documentation and the data of the
16 things that they found with the updated inspections that prior to that
17 point had been slipping through the cracks.

18 Our borders are probably our weakest defense in the area where
19 we need the greatest support and the greatest funding to insure that both
20 the traveler coming in and the commodities coming in are bringing in
21 things that could greatly impact us, not only with glassy-winged
22 sharpshooter and red fire ant, but also oriental fruit fly, Mediterranean
23 fruit fly and a host of other additional pests that could be equally as

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1 detrimental.

2 Again, I thank you for taking the time to come down and listen
3 to us today, and I will be following this up with written comments in the
4 next couple of days. Thank you.

5 ERIC LAURITZEN: Thanks, Jack.

6 Next, I'd like to call on Steve Nation, if -- Steve, if you're
7 ready, from the University of California, followed by Richard Smith.

8 STEVE NATION: Good morning, Mr. Secretary, and members. I
9 appreciate being here this morning. I'm here today representing the
10 University of California's Office of the President and the Division of
11 Agriculture and Natural Resources.

12 I think most of you know the division, we support ag natural
13 and human resources research on three campuses and ten research and
14 extension centers across the state. And we also support the nearly three
15 hundred cooperative extension farm advisors that work in local communities
16 throughout California.

17 And our advisors conduct applied research and field trials and
18 they provide information to growers on the latest research from the
19 university. And CE is a unique entity in the university. It's the only
20 program that reaches every county in the State of California.

21 You've heard many good ideas this morning, and I was also at
22 the Listening Session in Stockton on Tuesday, and there were a lot of good
23 ideas there about how to spend the sixty-four million dollars (\$64

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1 million) that you have available to you.

2 And I think that funding for specialty crop marketing efforts
3 and for agricultural and nutrition education programs are really
4 worthwhile and they deserve your support. But I'm really here today to
5 make some general comments on research and a couple of ideas about how you
6 might allocate some of these funds for research.

7 And research is an area I think where the university and the
8 division have a competitive advantage and where we can be of real
9 assistance to specialty crop producers. You all know that our specialty
10 crop growers have always been early adapters of new technologies,
11 innovative farming practices and new marketing opportunities.

12 And we're proud to say the university's been an important
13 partner in this success story through conducting cutting edge research and
14 getting it out to the growers, and we want to continue to be there. And
15 over the long term I think, as we've heard today and in earlier sessions,
16 research is going to be really important to help keep our specialty crop
17 growers economically competitive.

18 And so we urge the Department, and you, Secretary Lyons, to
19 provide a portion of the funds available for a specialty crop competitive
20 research program. You have a unique opportunity here to focus funds on
21 addressing the highest priority issues that are facing specialty crop
22 growers, and funds could be administered through the Department, through
23 the university or through another organization.

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1 I also want to touch on the research and extension center.
2 You've heard a lot of comments in support for a new research and extension
3 center down here on the Central Coast, and if you'll bear with me I want
4 to spend a minute or two and give you an update, Secretary Lyons, on where
5 we are with that.

6 I can say the university strongly supports the establishment
7 of a new research and extension center here on the Central Coast and that
8 we would look at it having an emphasis on basic and applied research, with
9 a specific focus on specialty crops.

10 We currently operate ten research and extension centers from
11 the Klammath Basin down to the Imperial Valley. Each of these centers
12 focus on agriculture and problems and issues in a particular area. And
13 speakers that have talked today about the fact that there is a big hole in
14 the research and extension center system are correct on the Central Coast,
15 with over five billion dollars (\$5 billion) of farm good value doesn't
16 have -- does not have a research and extension center.

17 What are we doing about it? The University of California's
18 Regents have approved five million dollars (\$5 million) for construction
19 of a research and extension center here on the Central Coast. The funding
20 would begin in the 2003-2004 budget year, and carry over into 2004-2005.

21 And I think it's important to point out, this is one of only a
22 handful of projects that are in the Regents' capital outlay plan that are
23 either located on a campus or have a specific function of serving students

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1 in classroom teaching, teaching needs.

2 So I think this is an indication that the Regents do support
3 this, in particular, with putting the money in it. One thing we said, the
4 final approval of a new Central Coast REC is dependent on the university
5 acquiring suitable land for the facility.

6 And we're looking at needing a minimum of two hundred acres to
7 operate a research and extension center. And President Richard Atkinson
8 of the university has been very clear in saying that part of any deal in
9 getting the funding out there in the street to build this facility is
10 going to be dependent on the grower, community or another source coming up
11 with the land for the university.

12 And I don't know what kind of flexibility there is within this
13 funding, but we certainly are looking at all opportunities to partner with
14 the grower community and others to get a research and extension center
15 down here, and I'd be pleased to talk with you more about this, Secretary
16 Lyons, and I know that Vice-President Gomez would, as well.

17 And I just want to thank you again for holding the Listening
18 Sessions, and that we looking forward to assisting the Department and
19 specialty crop growers in any way that we can. And I'd be pleased to
20 answer any questions, if you have them.

21 ERIC LAURITZEN: Thanks, Steve.

22 STEVE NATION: Okay.

23 ERIC LAURITZEN: Next up, Richard Smith, President of Valley
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1 Farm Management and owner of Paraiso Springs Winery. Richard's our last
2 scheduled speaker. If anybody else would like to speak that didn't sign
3 up, or if I've missed somebody, be sure to let me know after Richard's
4 comments are completed. Thanks.

5 RICHARD SMITH: Good morning, Secretary Lyons and Panel. I am
6 a wine grape grower. I farm about three thousand acres in Monterey
7 County, but I'm here today representing Monterey County Ag Education. I
8 made a number of observations as people have spoken this morning, and I'll
9 maybe comment on a couple of those things and then go where I'm headed.

10 Some recent comments that maybe the system doesn't work.
11 We're talking today about how do you enhance specialty crops and the
12 profitability of specialty crops. I guess my personal observation is that
13 most of us involved in farming tend to work hard, produce a crop, get it
14 to the edge of the field, load it on a truck and wait to be appreciated,
15 and that's not the way our system works.

16 Pat Hopper made some comments about being able to specifically
17 promote her product. Other people have talked about dealing with their
18 commodity in a manner that's positively going to stimulate the markets.
19 Well, you've come to the Salinas Valley, where innovation and creativity
20 has built probably the biggest specialty foods market in the country.

21 A lot of people this morning have already addressed the fact
22 that you base that success, that innovation and creativity on research and
23 education. Steve was talking about the biggest research institution in

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1 the state. I may be talking about the smallest educational facility in
2 the state.

3 One of the things that occurred to me when Bill Ramsey was
4 talking is that I'm almost the youngest farmer in this room and I'm fifty-
5 five years old. We got a problem. These innovative and creative people
6 need to be educated. They need to be brought into the system with new
7 technology and new information, new enthusiasm, and somebody needs to
8 motivate students to get involved in agriculture.

9 Somebody needs to educate consumers to appreciate what's going
10 on in the ag industries. How do we do this? We bring people into the
11 land grant system, the university system. We train agriculturalists at
12 the state universities. We have technical programs at the community
13 colleges.

14 We have something in Monterey County that's going on right
15 now. Monterey County Ag Education Program has a number of projects, farm
16 days, career days, adopt a classroom programs. Today in Monterey about
17 three thousand students are going, a class at a time, through a two and a
18 half hour presentation.

19 A hundred classrooms, hundred teachers, each classroom is
20 required to bring five adult chaperones along with them, so we have about
21 five hundred parents attending. We have two hundred and fifty people in
22 agriculture that are organizing and putting on ten and fifteen-minute
23 demonstrations on what agriculture is all about.

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1 We've got plant doctors. We've got demonstrations on fiber,
2 cotton and wool programs; seed technology people; transplanters; people
3 talking about cattle and cattle byproducts; dairy; innovative equipment;
4 technological presentations. These are two eight and nine-year-old kids
5 and their teachers and their parents.

6 We've got fifty demonstration stations going, and we're going
7 to do this again in February in Salinas, and we're going to do it again in
8 March in King City, and we've been doing it for ten years. We get about
9 seven or eight thousand kids a year through the program.

10 We think that we need to get people in these communities --
11 and it'd be nice to be able to do it in all communities, but this is our
12 community. We want the kids to understand what agriculture is. We want
13 the families to have some respect for the people who work in agriculture.

14 We want to get -- and I believe the point I was making about
15 farmers standing at the edge of the street waiting for somebody to reward
16 them well for their crop, the answer to that not being effective is to
17 find an effective manner to promote and market what you do.

18 If people -- and a lot of people have addressed this today.
19 If they understand nutrition, if they understand 5 A Day, if they
20 understand all of the presentations that the commodity groups have put
21 together, and most commodity groups have educational materials and
22 curriculum materials available to schools, somebody has to facilitate all
23 of that information getting into the schools.

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1 Monterey County Ag Education maintains a year-round office,
2 single staff person, a lot of volunteers. There's the California
3 Foundation for Ag in the Classroom associated with State Farm Bureau.
4 There's a national program. There are other county programs in Sonoma and
5 Merced and Fresno.

6 And my request is that as you look at -- I mean, it's been
7 extremely easy for all of us to come up with ways to spend a good chunk of
8 sixty million dollars (\$60 million) today. My request is that part of
9 what you do before you divide up the funds is that you allocate a portion
10 to outreach to the community, and a lot of people have addressed this.

11 It depends on how you define what the outreach is, but set
12 aside a portion of the funds to go to promoting agriculture to consumers
13 and to potentially future farmers, and help us do the community ag
14 education that needs to be done. I forgot, one of the state programs is
15 the Ag Network.

16 There are a number of things going on state, regionally and
17 locally, to take the message of agriculture to consumers and to future
18 farmers. And I'd just like to ask you again, get kids interested. Help
19 get people involved in the education system that will allow us to be
20 innovative and creative in the future.

21 There is a lot of interest. People have talked already about
22 understanding nutrition, safety, food safety. There's a lot of ag issues
23 that are economic and political that if people understood their ag

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1 industries better, they would respond better politically.

2 We have done these programs on a farm day schedule for ten
3 years, and we thought that our biggest benefit would be extending
4 knowledge to people in the community. One of the biggest benefits has
5 been the two hundred and fifty people who have put on the programs.

6 There's a pool of about five hundred people in this community
7 that participate and we -- some people work at Monterey, some at Salinas
8 and some King City and some at all three. My I guess biggest impression,
9 walk-away impression is that a lot of us who come and speak to you in
10 forums and speak in a number of community situations are often defensive
11 about what we do in agriculture.

12 When you have thirty kids and five or six adults asking
13 questions about what you do, and they're genuinely interested and
14 fascinated, the end result of our four or five-hour presentations on these
15 days is a community of agricultural people who are overjoyed about what
16 they do and how they do it, and how interesting it is to the rest of the
17 world to know what they do well.

18 So my recommendation is, make sure some of your money goes to
19 community education.

20 ERIC LAURITZEN: Thank you, Richard.

21 We have one more speaker. If you'd just make sure that you
22 introduce yourself and your affiliation.

23 JEFF RODRIGUEZ: Good morning. My name is Jeff Rodriguez.
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1 I'm the Project Coordinator with the Central Coast Resource Conservation
2 and Development Council. We're a local nonprofit council on the Central
3 Coast made up of resource conservation districts and county boards of
4 supervisors.

5 We're very concerned with real economic development and
6 resource conservation issues. And one of our projects that we've been
7 working on for the last couple years is this Ag Tourism Program. I heard
8 about this from the Small Farm Center and became involved with the program
9 at a state level through the Small Farm Center at UC Davis, and decided to
10 start a Central Coast version working group of an ag tourism working
11 group.

12 And what I've found is that, going along with all the comments
13 about education, is that the public does need to be educated about
14 agriculture. We're hearing from the farmers and others that there's a
15 huge disconnect between the communities and agriculture these days and we
16 need to bring that back together, in addition to trying to diversify some
17 of the small farmers' incomes.

18 And there's millions and millions of folks that come into the
19 Central Coast that want to spend their hard earned dollars on recreation.
20 And what the tourism people are telling us is that they want to go out and
21 see where their food comes from.

22 They want to go out and experience what their grandparents
23 knew growing up, what it was like to live on a farm, to work on a farm and

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1 where their food comes from. So they're not wanting to go to the
2 traditional venues anymore, the aquarium or some of the other places that
3 they typically go to. They want to go out and see farms.

4 And then we have a small group of farmers that are interested
5 in having the public out to their properties. There's not too many of
6 those folks, but there are a few. They want to, you know, be able to
7 directly market their farm products to the public.

8 So our working group is putting these two groups together.
9 We're putting the tourism -- the tourists together with the small farmers
10 that want to have each other. And the farmers are hoping that the
11 tourists will leave some of their hard earned dollars on the ranches and
12 buy some of their products.

13 And so we've got a working group established on the Central
14 Coast, and there's several others throughout the state. And we've already
15 spent some money through USDA , a USDA grant, to kind of develop a vision
16 for this ag tourism program, but we're in the process of educating the
17 public and the farmers now with workshops on how to actually start an ag
18 tourism enterprise.

19 But when I heard that mentioned this morning I thought this
20 would be a good opportunity for a small amount of money, thinking a
21 hundred thousand dollars (\$100,000) probably for a couple years would
22 really go to a good marketing program to get some of this information out
23 to small farmers in how to actually market their -- direct market their

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1 products to the consumer and to bring the tourism and the farmers together
2 on this kind of program.

3 We've just been doing it as a voluntary type of approach right
4 now, but actually, hiring someone to develop this business I think would
5 go a long ways. So I'll put something in for a program like this. But
6 there's already an existing ag tourism working group going on throughout -
7 - several of them -- throughout the State of California.

8 So there's a vehicle to use some of this money to actually
9 diversify the income of some of the small farmers. Thank you.

10 ERIC LAURITZEN: Thanks very much. Lee. Is anybody else
11 interested in speaking? One more. Thanks.

12 LEE MURPHY: Thank you. I'm Lee Murphy, with the California
13 Cut Flower Commission, and I really didn't know what I was going to hear
14 today. But I have heard from several of my compatriots with other
15 commodity groups that they had been to other Listening Sessions and felt
16 somehow that individual commodities, who really are the ones that
17 represent these growers, maybe weren't having enough input into the
18 process.

19 And one of the things that I see, the sixty-four million
20 dollars (\$64 million) is not really a heck of a lot of money. I had a
21 conversation with the president of FTD last week, and he said to really do
22 a good national advertising campaign it takes a hundred million dollars
23 (\$100 million) a year to do something that would even influence people's

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1 behavior.

2 So what we're looking here is money and we'll find a way to
3 spend it, but what we commodity groups do is -- those of us who run
4 marketing programs and do our own research and -- on a yearly basis we
5 have growers who are fighting fires just trying to stay in business, and
6 we're not looking twenty years down the road.

7 They can't afford to, or these individual farmers will be
8 gone. We have a program that started a few years ago with a
9 recommendation, don't go east of the Mississippi, you're not competitive.
10 But we take our growers on the road. We have seven people out there,
11 giving programs, giving seminars.

12 Now, we're doing over a hundred thousand boxes and flowers a
13 year into New York, Philadelphia, Chicago, Boston. So we've reinvented
14 ourselves by targeting on a yearly basis where we're going to go. The
15 only problem we have is that we don't have enough dollars.

16 If I handed my budget here and said, these are all wonderful
17 things for flower growers, double it, we could do a greater job. We could
18 do better marketing. And the purpose of what some of the people said here
19 is, growers don't get enough of a return.

20 We typically get two dollars (\$2) a bunch for snapdragons we
21 sell in California. By reinventing ourselves in Philadelphia, we get four
22 dollars (\$4) a bunch. What I'm saying is, you have commodity groups who
23 specifically know on a yearly basis how to heal the wounds of some of

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1 these growers, but we don't have the dollars.

2 And these dollars that are lying on the table are really big
3 dollars for programs like ours. To educate the general public? That's a
4 stretch, but for specific groups like ours that sit down on an annual
5 basis who vote with their assessment dollars, this is how we want to spend
6 our money most judiciously to keep ourselves in business.

7 We're experienced at doing that and we should be part of the
8 game and part of the loop, because our guys are putting their money in the
9 hat every year and saying, how much can we do with this. And they're
10 doing a heck of a lot and it's not just trying to pick ideas out of thin
11 air, and it's something we got to educate the public so twenty years later
12 agriculture's going to be king again.

13 It's like, how are we going to get these guys to survive
14 tomorrow, and that's what the commodity groups are doing. So I guess that
15 would be my message and I will submit something. Thank you.

16 ERIC LAURITZEN: Thanks, Lee.

17 Stan Uchiyama.

18 STAN UCHIYAMA: My name is Stan Uchiyama, and I'm the
19 agriculture teacher at North Salinas High School. And as I heard today
20 and people mentioned, and I'm not going to reiterate a lot of things on
21 education, if we educate, that solves a lot of things.

22 And it started dawning on me, we have all these creations of,
23 let's pool our money, let's educate and we'd have these different

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1 programs. And I applaud Monterey County ag ed, which I've heard three or
2 four comments made because our program and our students directly, directly
3 benefit from their efforts.

4 And in fact, our programs -- and I thank the individuals here
5 this morning -- our students directly benefited by the support and
6 enthusiasm of the agriculture industry in this particular community that
7 supports our activities.

8 Ag literacy is important. Sometimes maybe we'd like to create
9 new programs, create new things. Sometimes we should think about some of
10 the things we do have that maybe a little bit of funding or a little bit
11 of help might improve or make better.

12 And I'm -- the point I'm going to make right now is just two
13 years ago I believe our State Legislature created a position program in ag
14 literacy in our State Department of Education. However, my understanding
15 is we created this position and we have the legislation, but there's no
16 funding to really coordinate the program.

17 In other words, various departments cover the expenses of
18 trying to bring -- and I believe the original idea was to bring an
19 individual to take industries' individual programs or promotion and try to
20 bring it to a centralized, statewide, coordinated effort that is available
21 directly to schools through our Education Department, and taking billions
22 of dollars spent on promotion, advertising it and trying to pool that
23 together to yet still accomplish the same thing.

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1 So I'd like to simply recommend that a hundred thousand
2 dollars (\$100,000) be considered to fund this program, to put it more into
3 effect, rather than have an existing program that's kind of like
4 faltering, trying to make ends meet according to our Legislature that was
5 established to create the program. Thank you.

6 ERIC LAURITZEN: Thanks very much. Any other speakers?

7 I think I would like to take this opportunity, since they're
8 all in the back, to thank all of the FFA students. Thanks for all your
9 help.

10 (Applause)

11 ERIC LAURITZEN: You want to make some closing comments?

12 SECRETARY LYONS: Yeah. Thank you, Eric.

13 First of all, I'd like to thank everyone that participated
14 today and to show up at the hearing and take your time to come and give us
15 your ideas. We heard some great concepts that were brought forward today.

16 I'm going to go back to something I think that both Bill
17 Ramsey and myself agree on, that we want this program to continue. One of
18 the things that we have to be real careful of is when we evaluate the
19 sixty-four million dollars (\$64 million) is it's going to be very
20 difficult not to dilute the dollars.

21 I know sixty-four million dollars (\$64 million) sounds like a
22 lot of money, but it's not. Some of the concepts that we may come up with
23 may not fulfill everyone's needs, but we may be able to do enough things

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1 where we can do some excellent pilot projects to cover somebody's needs.

2 With those pilot projects and the successes hopefully from
3 those pilot projects, we will be able to go back to Congress and say,
4 look, we got sixty-four million (64 million) and this is what we did, but
5 if we had two hundred million (200 million) this is what we could do.

6 That's one of the goals. One of the responsibilities that I
7 have along with the Department is to try to look at many of the good ideas
8 on how to make sure that whatever we do, that we can go back to Congress
9 and ask for an expansion of this program.

10 It's going to be difficult. I'm going to be right up front
11 with you. Many of the ideas that are brought forward are good ideas, but
12 when we've only got so much, we're going to have to be very careful how we
13 spend that money and how we can really direct those efforts and be
14 accountable to Congress so that we can get more money for a lot of these
15 programs.

16 *So with that, I want to thank everyone in the room. I want to*
17 *thank you, Eric, for leading the discussion today. You did a good job.*
18 *We might have to keep you on the road with us -- and you do look good in a*
19 *tie.*

20 (Laughter)

21 *SECRETARY LYONS: Again, I'd like to thank everyone in the*
22 *audience and I'd like to thank our panelists and the Ag Commissioners that*
23 *took a day off from their work to sit here and listen to the different*

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1 *proponents of different programs.*

2 I'd like to also thank the FFA students and my staff for
3 putting this Listening Session on. Thank you very much for your
4 participation.

5 (Applause)

6 ERIC LAURITZEN: Okay. Thanks everybody for coming, and
7 thanks to Bill Lyons. I think we owe Bill one more round of applause for
8 coming to Salinas Valley.

9 (Applause)

10 MEETING CONCLUDED AT 11:42 A.M.

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